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APPENDIX (A).

Treasury Minute, March 1, 1853.

THE Chancellor of the Exchequer states to the Board, that the attention of Her Majesty's Government has been drawn to the great and annually increasing amount of the estimates for packet services over sea, and to the large proportion which that item now bears to the general civil expenditure of the country.

The annual charge for these services is already approaching a million of money, while the total amount of the estimates for civil services for the year 1852-3, which were higher than in any preceding year, amounted only to 4,177,754*l.*

Important as it is to secure rapid and certain communication with the remote dependencies of this country, and with other distant States, for national purposes, it is doubtless, under all common circumstances, from commercial considerations that such facility of correspondence derives its highest value.

There are limits beyond which the ordinary charge borne by the State on this account ought not to pass. It is, moreover, in the nature of such a charge to grow up by successive additions, each of them due rather to a comparison of the relative burden and benefit of the particular portions of each line of communication among themselves than to a more extended consideration of the proportion between the national advantages of the entire service and the aggregate charge imposed by it upon the Treasury.

Her Majesty's Government conceive the time to have arrived when the entire charge of the packet service should be deliberately examined and reviewed, with joint reference to the questions,—how far the purposes with which the present system was begun have been accomplished,—how far the total amount of service rendered to the State is adequate to the total annual expense,—how far there may be cause for a more than commonly jealous and scrupulous consideration of such further schemes of extension of the system as particular interests or parties may press, or even such as public objects may recommend from time to time; lastly, how far, on account of the early period at which certain of the contracts are terminable, or on account of requisitions put in by the contractors themselves for the modification of the terms, or for any other reason, it may be prudent to entertain the question of any revision of those terms, or of laying down any prospective rules with regard to them; such only, of course, as may comport with the equitable as well as the legal rights of the parties, and may avoid any disappointment to the just expectations of those classes who may have felt a peculiar interest in the establishment and extension of these great lines of communication.

In the estimation of Her Majesty's Government, Parliament was originally induced to make some very large grants for packet service across the Atlantic under the belief that, independently of postal revenue, and likewise of the commercial and political advantages attending rapid and certain correspondence at fixed and short intervals, the packets to be built for this service would form a reserve of powerful vessels, available, if unhappily the need should arise, for purposes of war; and Parliament never would have consented to grants of such an amount, except with this combination of objects in its view.

It has, however, appeared, from recent and careful examinations made under proper authority, that this expectation, which formed so important an element in these transactions, has in the main been frustrated; and that, with exceedingly rare exceptions, the vessels of the packet service, while partial injury has been done them with reference to their postal

purposes by the endeavour to combine strength with speed, are not suitable, and could not be made suitable, to serve as ships of war.

At the same time, it is not to be conceived that, on account of this failure in a portion of the design, the country has cause to regret having paid a larger price than was intended to be paid simply for the establishment of these noble chains of communication, which well nigh embrace the world. The organisation of a complete postal system upon the ocean, with absolute fixity of departures, and a general approach to certainty in arrivals, was a great problem, of high interest and benefit, not to England only, but to all civilised countries; and this problem may now be said to have been solved by England, for the advantage of mankind at large. It was to all appearance altogether beyond the reach of merely commercial enterprise; and if the price paid has been high, the object has been worthy, and the success for all essential purposes complete.

But that problem having now been solved, the state of the case is altered. These undertakings have now been found to lie within the reach of the energies of British commerce; in some cases without subvention from the State, and in others with much less of it than was originally supposed to be absolutely necessary for their success.

Prospectively, therefore, as it appears to Her Majesty's Government, it may be wise to proceed by somewhat different rules, without thereby implying that the decision of Parliament to spend so largely for the establishment of improved over-sea communications was a prodigal or imprudent one under the circumstances in which it was taken. At the same time, looking to the future, it is the opinion of Her Majesty's Government that the charge for packet-service has imperceptibly grown in some degree out of its due proportion to the service performed, as well as to the general expenditure of the country; and it is a just subject of anxiety to them that such reductions in it as may be practicable should from time to time be effected.

My Lords are further informed by the Chancellor of the Exchequer, that the Peninsular and Oriental Steam Company have applied to the Admiralty for an immediate as well as important relaxation and change of the terms of their new contract, which has been in operation since the 1st of January, 1853, although it has not yet been legally completed.

Lastly, My Lords learn from the Chancellor of the Exchequer that he has communicated on this subject with the First Lord of the Admiralty and the Postmaster-General; that the First Lord of the Admiralty has entirely approved of the proposal to postpone the presentation of the Packet Estimate to Parliament, with a view to an immediate examination of the subject of the packet contracts, and that the Honorable Mr. Cowper will be prepared to act on the part of the Admiralty in such an inquiry; that he has also communicated with Viscount Canning, the Postmaster-General, who is willing to undertake the chief conduct of it; and that he proposes that Sir Stafford H. Northcote, Bart., and Mr. Bromley, Secretary to the Board of Audit, should be associated with Mr. Cowper, under the presidency of Lord Canning, for the purpose of conducting it.

My Lords concur in the view which has been taken of this important subject by the Chancellor of the Exchequer, and are pleased to appoint Lord Canning, and the gentlemen above named, to be a Committee of Inquiry, for the purposes recommended; and their Lordships proceed to express the general views and objects with which it is their desire that the Committee should approach the execution of its task.

In point of time, the first duty of the Committee will be to examine into the recent application of the Peninsular and Oriental Company, which, contemplating, as it does, an immediate practical change, must be decided upon without delay.

The Committee will doubtless find that the demand of the Company for liberation from certain vital conditions of its contract will, by re-opening the discussion of it upon the merits, afford an equitable opportunity of securing an improvement in the position of the State with respect to it. As they will not strain this opportunity beyond the bounds of perfect fairness, so neither will they fail to point out such advantage to the public as within those bounds may be attainable.

Next in order of time to this subject, will be those which it may in like manner be important to determine with the least possible delay ; such as the cases of packet contracts of which the original term has expired, and which are now liable to drop upon a short notice, so as to affect the services of the financial year of 1853-4 : or the cases of other contracts, which, like that of the Peninsular and Oriental Company, may in like manner be now opened, in a greater or less degree, by the request of the parties themselves for relaxation or release.

Passing onwards from those among the contracts set forth in the accompanying sheet abstract which may be considered as cases urgent in point of time, it will be the duty of the Committee, with a view to the future, to consider more at large the general purposes and ordinary stipulations as well as the pecuniary terms of the contracts one by one.

In reviewing the purposes and stipulations of the contracts, the Committee will have to consider and report whether they can learn, either that the prospect of a reserve of ships of war, which was at one time confidently entertained, has been realised in any sensible degree under these costly arrangements, or whether there is any probability that it can be realised hereafter, compatibly with the paramount purpose for which the packets have been constructed, namely, that of postal vessels. On this point the Committee will consult a report which has been presented to the Board of Admiralty by a Committee of Naval and Artillery Officers.

It will also be their duty to observe what provisions have been inserted in the contracts to secure the sufficiency of the ships for the purposes of naval warfare ; to ascertain whether the stipulations have been carefully fulfilled ; whether in any cases where they have not been so fulfilled, permission to waive them has been regularly sought and obtained from the proper department of the Government ; and whether, in consideration of such non-fulfilment, there has been any adequate remission, or any remission, of the price which the State engaged to pay, not for postal service merely, but for the double purpose of postal service together with a reserve force in aid of the Royal Navy.

The Committee will likewise have to examine with what degree of punctuality and precision the postal conditions of the contracts have been fulfilled. It will be their duty to note with care, as well the amount as the causes of any failures in this respect : especially, in case they should find that any material irregularities have in any case occurred which might by the exercise of due diligence have been avoided, it will be their duty to ascertain, for the information of Her Majesty's Government, whether, in consideration of such irregularities, any abatements have been made from the charge upon the public ; whether the penalties under the terms of the contracts have been legally incurred by them ; and whether, if so incurred, they have been in fact exacted, or if remitted, on what grounds the remission has been allowed.

Generally it will be the duty of the Committee to consider whether any and what improvements may hereafter be introduced into the provisions of these contracts, or into the mode of negotiating them.

The Committee will, of course, overlook no opportunity that their examination of the case may bring into view, of modifying any of the existing arrangements, so as to improve them, with a full regard to the rights of parties and to the convenience of the public.

They will carefully state the present service and charge, in each case, as compared with those of any preceding arrangements ; and consider, with reference to economy and public convenience, all the alternatives which either have been presented to Government up to this time (whether immediately available or not) by the proposals of competing parties, or which might, from the present state of commerce and communications, be reckoned upon in various cases, with various degrees of confidence, in case the present arrangements should be dropped.

They will find it an important branch of their duty to consider whether it has truly alleged, with respect to this system of packet contracts, that its natural tendency and its present operation are to discourage private enterprise, and to bear down the efforts which it might make.

without any pecuniary aid, had it only the negative advantage of an open field.

In suggesting any modified forms of the present arrangements, or any other arrangements founded on a similar basis, it is most important that the Committee should keep in view the prudence, under present circumstances, of engagements for very short terms of years. The intense demand at this moment for the services of shipping not only constitutes a disadvantage in present negotiations, but holds out an almost certain prospect of a corresponding over-supply and re-action some two, three, or four years hence, in the rates of freight, when, in all likelihood, it will be practicable to deal on better terms for the public. Independently of this periodical revolution of the cycle of trade, the rapid progress of commercial organisation generally, and of steam navigation in particular, makes it highly desirable that the Government should, as far as may be, stand with its hands free, to avail itself of circumstances to the greatest advantage, from time to time, as they shall develop themselves.

The Committee will not confine themselves to the consideration of economy or other amendments in detail, but will make a comprehensive survey of the existing organization, and note their general views upon any improvements of the line, or the mode of service, which may apply to the system at large.

In considering alternative proposals, they will carefully weigh against one another the respective service and charge, and will doubtless bear in mind the social as well as political importance of easy and secure communications with those British colonies to which the stream of emigration has of late been most largely directed.

My Lords hope that the labours of the Committee may issue in pointing out the means of no inconsiderable immediate saving in the charge of the packet service, and likewise of making use of the increased energy and resources of private enterprise, and the improved knowledge of the modes of coping with the difficulties of ocean communication, so as after a short time to effect a still larger economy in the basis and operation of the whole system.

My Lords have, moreover, to direct the attention of the Committee to the construction of a system of account under which the receipts and charges of each line of packets may be accurately and clearly stated for the consideration of Parliament, instead of the present very defective arrangements, under which, while the charge is presented together with the Navy Estimates and Accounts, the receipts are carried to the credit of the General Post Office Revenue, without any means of distributing it according as it is derived from the land and over-sea service respectively.

It is the desire of my Lords, that both on all these several points, and on any others of public interest and moment, which the course of their inquiry may bring into view, the Committee should, in addition to presenting the facts of the case, tender without reserve, in their report or reports, all recommendations of which they may conceive that the adoption would be beneficial to the public service.

Lastly, it is the desire of my Lords that this important inquiry should, especially as regards all contracts which are open to be dropped or modified during the financial year 1853-4, be prosecuted with all practicable despatch.

Transmit copies of this minute to the Secretary of the Admiralty and the Commissioners of Audit, and request that the services of the Hon. W. Cowper and of Mr. Bromley may be afforded for the purposes of this inquiry.

And transmit a copy to the Committee for their information and guidance.

APPENDIX (B).

ABSTRACT of CONTRACTS for the Conveyance of Mails.

NOTE.—By the Act 7 William IV, cap. 3, previous Contracts entered into by the Post Office were transferred to the Admiralty.
All Sea Contracts under £500 per annum directed to be managed by the Post Office by Treasury Minute of December 8, 1840. (See Treasury Letter, December 11, 1850.)

Line of Communication.	How often.	Number, Size, and Character of Vessels.	Names of Contractors.	Terms.	Contract.			Penalty.	Remarks.	Time fixed for Departures and Arrivals.
					By whom made, and date.	Commences.	Terminates by warning of.			
1. LIVERPOOL and ISLE OF MAN	Twice a week ...	Steamers not less than 140 tons...	Monk Isle Steam Co Mr. Thos Orford, Agent, 94, James- street	£260 per annum	Post Office, July 10, 1835	July 11, 1835	Three months	£ 500	These vessels will sail at tide- time from each place—average passage about eight hours.	Twice a week during winter, from November to April, every day during summer, Sunday ex- cepted.
2. HOLYHEAD and KINGSTOWE	Twice a day.....	Steam-vessels to go 15 knots an hour.	City of Dublin Steam Packet Co 137, Leadenhall-street, W. Watson, Esq.	£25,000 per annum	Admiralty, April 9, 1850	May 1, 1850	Twelve months after ten years, from May 1, 1850.	4,000		Departures, morning soon after 13.35 and 5.40 a.m. Arrivals, about 6.0 p.m. and 12.40 a.m.
3. ABERDEEN and LERWICK ... SHETLAND and ORKNEYS ...	Weekly.....	Steamers not less than 60-horse power, from April to September inclusive. Sailing-vessels not 140 tons (or m) from October to March inclusive.	Aberdeen, Leith, and Clyde Shipping Co Agents, Messrs Pirie and Forsyth, 19, Barchin-lane	£200 per annum	Admiralty, January 4, 1840	February 1, 1840	Six months after Fe- bruary 1, 1841	500	Steamers only may touch at in- termediate ports, Wick and Kirkwall.	March 27, 1847. Leaves Aberdeen on Fridays, and Lerwick on Mondays at 8 p.m., if arrived before 8 a.m., if not, seventeen hours after arrival from Aber- deen. June 5, 1851.
4. LONDON { Hamburg..... { Rotterdam	Twice a week ... Twice a week ...	Steamer not less than 100 horse power Steamers not less than 60-horse power.	General Steam Navi- gation Co 71, Lon- don-street, Mr John Wilson, Se- cretary.	£17,000 per annum	Admiralty, March 25, 1849	April 1, 1849	Contract continued for one year, and thenceforward until six months' notice See letter from Company, March 25, 1849	7,000	Includes Helgoland, Cuxhaven, and any other Ports in the Elbe and Helvoetsluis, and any other Ports in Holland.	Mails for Hamburg to be closed and despatched from Post Office at 8 p.m. on Tuesday and Friday. Mails for Highland to be de- spatched early on mornings of Wednesdays and Saturdays See letter to Post Office and Com- pany, December 16, 1847.
5. ENGLAND { Vigo	Three times a month	Steamers not less than 140-horse power.	Peninsular and Ori- ental Steam Navi- gation Co C W Howell, Esq., Secre- tary, 152, Leaden- hall-street.	£20,500 per annum, less £2,500 if port dues remitted.	Admiralty, January 9, 1853	January 9, 1853	Six months	10,000	Stays at Gibraltar not more than twenty-four hours, and departs at nightfall. To leave Lisbon 9th, 19th, and 29th of each month, at 8 a.m. but allowed by contract to stay two clear days	7th, 17th, and 27th, of each month from Southampton, when these dates fall on Sundays, the 8th, 18th, and 28th Post Office letter, March 6, 1845
{ Oporto										
{ Lisbon										
{ Cadix										
{ Gibraltar										

Lane of Communication	How often.	Number, Size, and Character of Vessels.	Names of Contractors	Terms	Contract.			Penalty	Remarks.	Time fixed for Departures and Arrivals
					By whom made, and date	Commences	Term notes by way of			
6. ENGLAND and ALEXANDRIA SUFF CALCUTTA, and HONG-KONG MARSEILLES and MALTA SINGAPORE and SYDNEY, New South Wales	Twice a month	A sufficient number of steamers (not less than fifty) of not less than 1100 tons	Peninsular and Oriental Steam Navigation Co. C W Howell, Esq, Secretary, 123, Leadenhall-street	Terms £199,000, and six months after railway opened between Alexandria and Suez £179,600	Admiralty	January 1, 1853	Eight years from January 1, 1853 on twelve months' notice, or until after twelve months' notice shall be given	35,000		From Southampton on the 2nd and 4th, from London on Thursdays on the 8th and 31st of every month. If these dates be Sundays, then on 9th and 20th
	Every other month	Not less than four of 600 tons								
7. LIVERPOOL, HALIFAX, and BOSTON LIVERPOOL and NEW YORK	Weekly	A sufficient number of steamers, not less than 400-horse power	S Cunard, Halifax, N S, George Burns, Glasgow, and Chas MacLuer, Liverpool	£145,000 per annum £38,340 per annum	Admiralty, April 1, 1850, and January 1, 1852	April 1, 1850 January 1, 1852	January 1, 1852, and thereafter until twelve months' notice be given	30,000 0,000	Return Mails, in stress of weather, may be landed at Bristol, Bournemouth, Portsmouth, Dover or Deal. And if required to receive and deliver Mails at Holyhead or any Port of Great Britain or Ireland	Every Saturday from Liverpool and Monday from Halifax to Boston and direct to New York. Returning from America every Wednesday alternate, and arrive and deliver Mails at Halifax from Boston and direct from New York (Direct to and from New York, August 1850)
8. HALIFAX, BERMUDA, and NEW YORK HALIFAX and NEWFOUNDLAND	Twice a month from April to November inclusive, once during the four winter months. Monthly between Bermuda and New York	Steam vessels three of wood, not less than 350 tons, 6 m Screw-propeller, 80 horse power	Samuel Cunard Agent, Mr J Bromley Ford, 52, Old Broad-street	£10,600 per annum	Admiralty, July 1, 1850	July 1, 1850	January 1, 1852, and thereafter until twelve months' notice be given, or until the expiration of No 8 Line.	9,000	Steamers may touch at Cape Breton, stay there not to exceed twenty-four hours, stop at Bermuda and Newfoundland not to exceed twenty-four hours.	To leave Halifax within twenty-four hours after the arrival of the packet from England conveying the Mails to Boston
9. BERMUDA and ST THOMAS	Monthly	A sufficient number of steamers, wood, not less than 350 tons 6 m Screw propeller, 80-horse power	Samuel Cunard Agent Mr J Bromley Ford, 52, Old Broad-street	£4,100 per annum	Admiralty, February 28, 1851	1851	January 1, 1852, and thereafter until twelve months' notice be given, or until No 8 expires	0,000		
10. ENGLAND, WEST INDIES, GULF OF MEXICO, and BRAZILS	Twice a month	Fifteen steamers, wood, ten not less than 400-horse power, to be fit and able to carry guns of the largest calibre now used in Her Majesty's steam-vessels, the remaining four (to be employed intercolony only) of not less than 200-horse power, and one of not less than 60-horse power, also a sailing-vessel of not less than 100 tons	Royal Mail Steam Packet Co Office, 55 Moorgate street Capt R Chappell, R.N., Secretary.	£270,000 per annum	Admiralty, July 5, 1850	January 1, 1851	Eleven years from January 1, 1851, if twelve months' previous notice be given, or after, until the expiration of twelve months' notice at any period of the year	60,000	West Indies	To leave Southampton for West Indies and Gulf of Mexico on the 2nd and 17th of each month, except when those days fall on a Sunday, then on the following days May 17, 1851
	Monthly											Brazil . . . . .	And for Brazil, touching at Lisbon, Madeira, Tenerife, St Vincent, Pernambuco, Bahia, Rio de Janeiro, Monte Video, and Buenos Ayres 9th of each month, except when 9th falls on a Sunday then on 10th. February 5, 1851

Line of Communication.	How often.	Number, Size, and Character of Vessels.	Names of Contractors.	Terms.	Contract.			Penalty.	Remarks.	Time fixed for Departures and Arrivals.
					By whom made, and date.	Commences.	Terminates by warning of.			
11. EAST INDIES and CHINA (See No. 5)	Twice a month	...	Pennibler and Oriental Steam Navigation Co. C. W. Howell, Esq., Secretary, 122, Leadenhall-street.					\$		
12. CHANNEL ISLANDS	Three times a week	Three or more steamers not less than 120-horse power	New South-Western Steam Packet Co., 97, High-street, Southampton. W. Green, Esq., Secretary.	£4,000 per annum.	Admiralty, July 1, 1849	April 28, 1849	One year from April 28, 1849, if six months' notice be given; if not, to continue till six months' notice be given.	5,000		From Southampton, Tuesday, Thursday, and Saturday, at 08 45m a.m. From Jersey, calling at Guernsey Monday, Wednesday, and Friday, at 8.
13. PACIFIC	Twice a month	Six or more steamers not less than 170-horse power, four of 160-horse power and 1000 tons substituted December 4, 1850. May use vessels of 400 tons and 100-horse power, <i>pro tem</i> , Callao and Panama. March 16, 1853.	Pacific Steam Navigation Co., 1, Rumbold-street, Liverpool. W. Tiggart, Esq., Secretary	£35,000 per annum	Admiralty, Sept 23, 1850 Nov. 18, 1850	April 1, 1852, or earlier.	Seven years and thenceforward until twelve months' notice November 15, 1850.	5,800	Panama, Callao, Valparaiso.— On September 8, 1845, allowed to touch at Buenaventura, Guayaquil, Payta, Lambayeque, Huancavelco, Santa, Callao, Pisco, Islay, Arica, Iquique, Cobija, Copiapo, Huasco, Coquimbo	From Panama, within twenty-four hours after mails arrive.
14. ENGLAND, CAPE OF GOOD HOPE, and CALCUTTA	Monthly	Screw-steamers of not less than 1400 tons, and 228-horse power.	General Screw Steam Shipping Co., 3, Royal Exchange Buildings, 1, L. O'Hare, Esq., Secretary	1st year 250,000 2nd year 45,000 Royal Exchange Buildings, 1, L. O'Hare, Esq., Secretary £1000 for Admiralty agents	Admiralty, May 20, 1852	June 15, 1852	Seven years and thenceforward until twelve months' notice	4,000	Call at St. Vincent, Ascension, Cape of Good Hope, Mauritius, Point de Galle, and Madras, and also at St. Helena, on homeward voyage	From Plymouth on 15th of each month. When 14th falls on a Sunday, then on 16th. May 13, 1851
15. CAPE OF GOOD HOPE, and FORT NATAL	Monthly	A sufficient number (not less than two) iron screw-steamers, 500 tons, 40-horse power, to go 6 knots an hour	General Screw Steam Shipping Co.	£3,000 per annum	Admiralty, August 10, 1852	October 1, 1852	June 15, 1852, or with other contract with General Screw Steam Shipping Co. on twelve months' notice	1,000	To touch in Mossel and Algoa Bays, Buffalo, and Fort Frances, when practicable.	
16. ENGLAND and SYDNEY, NEW SOUTH WALES (See No. 5)	Every other month	A sufficient number of screw-steamers (not less than four) of 1400 tons, and 300-horse power, and to go 6½ knots an hour	Australian Royal Mail Steam Navigation Co., 89, Lombard-street, London. Robert Marshall, Esq., Secretary	£28,000, less £20 for each voyage when no Admiralty agent.	Admiralty, June 2, 1852	June 3, 1852	Four years and thenceforward until eighteen months' notice	4,000	To touch at St. Vincent, Simon's Bay, or Table Bay, Cape of Good Hope, King George Sound, Port Phillip, and may call at St. Helena.	From Plymouth on June 3, and thenceforward on 3rd of every alternate month.
17. ENGLAND and FERNANDO PO, WEST COAST OF AFRICA.	Monthly	A sufficient number (not less than three) of screw-steamers, to go 8 knots an hour.	African Steam Ship Co., March 1853. Magregor Laird, 3, Mincing-lane.	£23,350, less £500, every succeeding year.	Admiralty, January 29, 1853	Sept 1, 1852, altered to September 26.	Ten years and thenceforward until twelve months' notice.	2,000	To touch at Madras, Teneriffe, Goree, Bathurst, Sierra Leone, Monrovia, Cape Coast Castle, Accra, Whydah, Badagry, Lagos, Bonny, Old Calabar, and Cameroons, but omitting Cameroons, Old Calabar, and Bonny, on way home	From Plymouth on 24th of each month, when 23rd a Sunday, on 25th. [July 30, 1853.] A vessel to leave Fernando Po September 20.

APPENDIX (B).—Continued.

Names of Vessels	Horse Power	Tonnage	Draft of Water	No. of Boats	Number of Crew				Date of Approval or Survey	Conditionally approved as <i>Itasca</i>
					Commander	Surgeon	Seaman	Engineers and Stokers			Total
La Plata .. LC.	939	2404	21 10	9	1	1	26	29	114	Aug. 10, 1852
Orinoco .. LC.	800	2245	20 11	8	1	1	29	28	108	Oct. "
Parana .. LC.	800	2222	21 2	9	1	1	26	29	120	May 6, 1853
Magdalena LC.	760	2250	19 0	9	1	1	29	23	108	May 15, 1852
Avon .. LC.	450	2069	17 0	6	1	1	20	21	94	Mar. 5, 1853
Tay ..	430	1288	17 8	6	1	1	23	18	80	Aug. 9, 1852
Thames .. LC.	413	1285	18 3	6	1	1	23	18	72	July 15, "
Dee .. LC.	410	1269	18 0	7	1	1	23	18	87	May 16, 1846
Madway .. LC.	420	1305	17 6	7	1	1	23	18	92	May 26, 1852
Teviot ..	450	1258	18 1	6	1	1	23	18	97	July 9, "
Trent .. LC.	450	1293	17 7	6	1	1	23	18	87	Apr. 29, 1848
Clyde ..	430	1335	19 1	6	1	1	23	18	87	Aug. 17, "
Great Western LC.	420	1254	18 7	..	1	1	23	18	89	Feb. 11, "
Eagle ..	263	496	11 10	4	1	1	12	14	57	July 2, 1849
Conway .. LC.	270	827	12 10	7	1	1	16	14	55	Sep. 13, 1852
Sewern .. LC.	422	1409	17 3	6	1	1	23	18	90	June 9, "
Derwent ..	280	708	15 0	5	1	1	16	15	66	July 8, 1850
Prince ..	200	446	8 8	5	..	..	..	..	35	July 9, 1851
Esk .. screw	60	142	..	..	..	..	..	..	..	Nov. 20, 1850
Bentinck ..	520	1973	19 8	7	1	1	26	19	83	Nov. 12, 1852
Lady Mary Wood ..	270	619	..	3	1	..	10	11	40	Feb. 24, 1842
Precursor ..	520	1783	18 0	8	1	1	38	10	121	July 21, 1844
Braganza ..	300	638	13 11	3	1	..	10	9	40	Dec. 28, "
Pekin .. iron	415	1003	14 0	6	1	1	18	6	78	Jan. 28, 1847
Achilles ..	430	823	16 0	4	1	1	13	18	59	June 2, 1848
Oriental ..	420	1437	13 0	6	1	1	14	21	73	Mar. 31, "
Malta .. iron	460	1222	..	6	..	..	..	..	..	Sep. 23, "
Hindustan ..	500	1595	16 10	7	..	..	..	..	53	July 7, 1849
Singapore .. iron	465	1189	12 6	6	..	..	..	..	96	Mar. 6, 1851
Ganges .. iron	465	1189	14 7	6	..	..	..	..	69	June 13, 1851
Chusan .. iron	100	765	11 3	4	..	..	..	..	45	Apr. 21, 1852
Formosa .. iron	177	658	13 6	5	..	..	..	..	60	Aug. 19, "
Pottinger .. iron	450	1225	17 6	8	1	1	20	6	82	Aug. 13, "
Shanghai .. iron	90	825	..	..	..	..	..	..	..	..
Bombay .. iron	280	1240	..	..	..	..	..	..	..	..
Madras .. iron	288	1217	..	..	..	..	..	..	..	..
Express .. iron	160	380	7 4	3	1	..	6	6	24	Mar. 16, 1852
Wonder .. iron	150	349	..	3	1	..	6	6	22	July 8, "
Atalanta ..	120	240	8 4	2	1	..	6	5	21	Oct. 10, 1846
Courier .. iron	184	440	7 0	3	..	..	..	..	18	July 8, 1852
Dispatch .. iron	183	443	7 6	3	..	..	..	..	22	May 5, "
New Granada .. iron	210	600	13 10	5	1	..	..	..	..	Nov. 6, 1846
Bolivia .. iron	252	705	..	5	1	..	..	..	41	Oct. 19, 1849
Santiago .. iron	370	549	13 4	6	1	..	..	..	55	Aug. 6, 1851
Lima .. iron	370	1122	10 8	6	1	..	..	..	55	Nov. 27, "
Quito .. iron	394	1122	11 1	6	1	1	18	16	54	Feb. 9, 1852
Bogotá .. iron	394	1122	13 6	6	..	..	..	..	61	Apr. 23, "
Bosphorus .. iron	80	540	13 6	3	1	1	10	7	35	..
Lady Jocelyn .. iron	300	1800	18 0	8	1	1	44	22	108	July 29, 1852
Indiana .. iron	300	1800	19 0	7	1	1	47	22	110	Sep. 17, "
Calcutta .. iron	300	1800	19 0	7	1	1	46	23	115	Oct. 20, "
Q. of the South .. iron	300	1777	17 10	7	1	1	45	22	104	May 21, "
Mauritius .. iron	300	1800	19 6	7	1	1	46	25	117	..
Hydaspes .. iron	300	1800	18 0	7	1	..	..	..	108	Feb. 2, 1853

APPENDIX (B).—Continued.

	Names of Vessels.	Horse Power.	Tonnage.	Draft of Water.	No. of Boats.	Number of Crew.					Date of Approval or Survey.
						Commander.	Surgeon.	Seaman.	Engineers and Stokers.	Total.	
16	Forerunner L.C. iron	50	293	ft. in.	3	1	..	9	9	25	Sep. 25, 1852
	Faith .. iron	188	922	12 8	5	1	..	13	13	38	Feb. 2, 1853
	Hope .. iron	120	933	15 0	5	1	1	15	13	46	
17											

Admiralty Agents, with Date of Appointment.

SOUTHAMPTON—Nos. 5, 6, 10, 11.

Lieut. I. I. Wilkinson ..	November 27, 1844	Lieut. R. M. Sandom ..	March 29, 1851
" R. Percival ..	July 5, 1845	" A. La Touche ..	May 3, "
" W. D'Aranda ..	May 26, "	" G. A. Ellerman ..	January 10, 1852
" J. Brown ..	July 5, "	" I. G. Robins ..	May 26, "
" James Inglis ..	December 15, "	" J. Stephens ..	May 15, "
" T. Strover ..	September 24, 1846	" W. P. Newenham ..	January 10, "
" Joseph Ray ..	December 30, "	" H. De Lisle ..	February 19, "
" John Hay (c.) ..	April 5, 1847	" C. G. Ghnn ..	January 11, 1853
" L. Dennehy ..	June 12, "	" W. C. Coffin ..	January 11, "
" P. Rainier ..	July 27, "	" E. P. Fuge ..	January 11, "
" J. R. Parker ..	November 21, 1848	" H. Charleton ..	January 11, "
" T. S. Scriven ..	December 22, "	" P. P. Barrow ..	January 11, "
" J. O'Reilly ..	April 23, 1849	" R. Reid ..	January 21, "
" T. C. O. Whipple ..	January 5, 1850	" W. H. Payne ..	January 21, "
" T. W. Purver ..	October 23, "	" T. C. Ponsonby ..	February 4, "
" J. Brydges ..	December 24, "	" S. H. Hemmans ..	February 18, "
" G. H. Heathcote ..	December 31, "	" J. Oxenham ..	March 14, "
" G. I. Gardner ..	February 6, 1851	" A. Young ..	March 26, "
" H. T. Veitch ..	June 3, "	" H. Warren ..	April 6, "

PLYMOUTH—Nos. 14, 16.

Comr. A. J. Curtis ..	July 5, 1852	Comr. A. Phillimore ..	September 3, 1852
" J. P. Thurburn ..	May 8, "	Lieut. H. L. Griffiths ..	September 14, "
" P. A. L. Wharton ..	June 7, "	" H. B. Everest ..	December 6, "
" J. Corbet ..	November 8, "	" F. P. Coull ..	January 11, 1853
" J. K. Barnard ..	May 15, "	" C. W. Pears ..	April 16, "
" G. B. Jeffreys ..	January 11, "		

NOTE.—The Admiralty Agents named above, employed in the Vessels sailing from the above-mentioned Ports, are changed from one Line to another, at these Ports, in regular succession at certain periods.

LIVERPOOL—No. 7.

Lieut. H. Beddek ..	June 16, 1849	Lieut. E. W. Ward ..	November 22, 1849
" J. G. Raymond ..	April 26, "	" T. A. Lewis ..	May 3, 1850
" I. B. Scriven ..	January 30, 1851	" G. S. Boys ..	January 21, 1853
" W. W. Oke ..	April 26, 1850		
" D. Reid ..	January 22, 1848		

APPENDIX (B).—Continued.

ADMIRALTY ARRANGEMENTS OF THE PACKET SERVICE,
FOR THE MONTH OF JUNE, 1853.

Shore Establishments.

Station.	Conducting Officer.	Date of First Appointment.	Establishment.
Dover ..	Comandr. Edward Herrick, Addl. H.M.S. "Waterloo"	Sept. 15, 1852	1 Paymaster; 1 Clerk; 1 Engineer, 2nd Class; 2 Engineers, 3rd Class; 1 Carpenter's Mate; 1 Smith; 1 Smith's Labourer, 1 Yeoman and Plyer; 1 Port Pilot; 2 Watchmen; 1 Commission Messenger; 2 Cox- swains, 8 Crew, A.B.
Holyhead ..	Comandr. A. McG. Skimmer, Addl. H.M.S. "Saturn"	Sept. 16, 1851	1 Messenger
Liverpool ..	Commander T. Bewis, Addl. H.M.S. "Saturn"	Feb. 5, 1839	1 Clerk; 1 Messenger
Southampton.	Capt. Horatio T. Austin, C.B. Addl. H.M.S. "Victory"	March 11, 1852	Mr. J. W. Ancell, Clerk, H.M.S. "Victory," September 10, 1843; 1 Messenger; 1 Porter
Plymouth ..	Flag Captain, Arthur Lowe		

Letters will be dispatched from London for Foreign Mails on the following days:

June, 1853.

Wednesday	1.—West Indies, Gulf of Mexico, and Pacific. Bermuda, <i>via</i> St. Thomas.
Friday	3.—Gibraltar, Malta, Alexandria, India, China, Ionian Islands and Greece. North America, New York.
Monday	6.—Vigo, Oporto, Lisbon, Cadiz, and Gibraltar.
Wednesday	8.—Malta, Alexandria, India, Bombay, Ionian Islands and Greece, <i>via</i> Marseilles. Lisbon, Madeira, Cape de Verd, and Brazil.
Friday	10.—North America, Halifax, Boston, Bermuda, and Newfoundland.
Tuesday	14.—St. Vincent, (Cape de Verd) Ascension, Cape of Good Hope, Mauritius, Ceylon, Madras, and Calcutta.
Thursday	16.—West Indies and Pacific. Vigo, Oporto, Lisbon, Cadiz, and Gibraltar.
Friday	17.—North America, New York.
Saturday	18.—Gibraltar, Malta, Alexandria, India, China, Ionian Islands and Greece.
Thursday	23.—Madeira, Teneriffe, and West Coast of Africa.
Friday	24.—Malta, Alexandria, India, China, Ionian Islands and Greece. <i>via</i> Marseilles. North America, Halifax, Boston, Bermuda and Newfoundland.
Saturday	25.—Vigo, Oporto, Lisbon, Cadiz, and Gibraltar.

CONTRACT PACKETS.
Remarks.

FROM SOUTHAMPTON.
West India and Mexican
sail 2nd and 17th of every month.

Brazil.
9th of the month,
calling at Lisbon, Madeira, Teneriffe,
and St. Vincent, Cape de Verd
Islands.

Vigo, Oporto, Lisbon, Cadiz, and
Gibraltar.
7th, 17th, and 27th of every month.

Malta, Alexandria, India, Ionian
Islands and Greece.
4th and 20th of every month.

Australia, *via* Singapore
4th March, and of each alternate
month.

FROM PLYMOUTH.
Cape of Good Hope and Calcutta.
15th of each month,
calling at St. Vincent.

West Coast of Africa.
On the 24th of every month.

FROM LONDON,
via Marseilles.
8th and 24th of each month.

APPENDIX (B).—Continued.

Her Majesty's Packets.

Name of Steam Packet.	Horse Power.	Draft of Water.	Guns.	Commander.	Date of First Appointment.	Second Master.	Date of Appointment.	Engineer.	Date of Appointment.	Crew.				Mail arrives.	Mail departs.	Date of Order.	Average Passage.	
										Seamen.	Stokers.	Boys.	Total.				Summer.	Winter.
DOVER.*																		
Garland	120	7 1	1	Lieut. Edward Wylde	Mar. 14, 1849	John Hammond, a. ...	Dec. 5, 1851	M. Powell 1st Class	Dec. 5, 1851	9	4	2	18	} 11 0 p.m. as soon as it can be put on board. December 29, 1851.	December 29, 1851.	Calais.	Calais.	
Violet	120	6 8	1	Lieut. H. P. Jones ...	June 11, 1850	Werner Clarke, a. ...	Nov. 4, 1852	W. Wynd 2nd Class	April 23, 1853	9	4	2	18			To 1h.35 From 1h.40	To 1h.40 From 1h.50	
Vivid	160	7 3	1	L. Smutsett, a.m. ...	Mar. 15, 1825	E. Hare, a. ...	Dec. 5, 1851	R. Cowan 1st Class	Dec. 5, 1851	9	4	2	18			Ostend.	Ostend.	
Onyx	120	6 10	1	E. C. Ritter, a. ...	Oct. 28, 1852	... ..	... ..	T. Summers 1st Class	Dec. 5, ..	9	4	2	18			To 4h.30 From 5h.10	To 4h.50 From 5h.20
Princess Alice, Spare V.	120	7 0	1	John Warman, a. ...	Nov. 4, ..	... ..	... ..	H. Horden 1st Class	Dec. 5, ..	2	2	1	7				
Undine, Wool., Spare V.	100	6 10	1	Edmund Lyne, a. ...	Nov. 4, ..	... ..	... ..	W. Gill, a. 2nd Class	Dec. 3, ..	2	2	1	7				

Name of Steam Packet.	Horse Power.	Guns.	Lieutenants.	Date of Appointment.	Second Masters.	Date of Appointment.	Assistant Surgeons.	Date of Appointment.	Men.	Boys.	Total.
MEDITERRANEAN.											
Caradoc	350	3	Lieut. H. J. Dorrman ...	April 14, 1851	S. Braddon	April 15, 1851	T. M. Costello	May 6, 1851	49	9	65
Triton	260	3	Lieut. H. Lloyd	May 24, 1853	Chas. M. Hughes ...	May 26, 1852	J. Forbes	May 26, 1852			
Ardent†	200	3	Spare Vessel.								

* These Complements include Engineers, Petty Officers, and Marines.

† To be laid up at Malta. December 7, 1849.

ABSTRACT STATEMENT showing the Annual Cost and Earnings of each Line of Packets.

No. on Abstract sheet of Contracts.	Line of Communication.	Annual Subsidy under Contract.	Estimate of Annual Gross Postage.	Estimated Deductions from Gross Postage on account of Services not rendered by Packets.			Estimated Amount of Earnings of Packets carried to the Credit of the Post Office.	Difference between Subsidy and Estimated Earnings of Packets.	
				Repayable to Foreign Countries and Transit Postage.	British and Colonial Inland Rate.	Foreign Inland Rate.			Total Deductions from Gross Postage.
		£	£	£	£	£	£	£	
4	Hamburg and Rotterdam	17,000	11,895	..	2,510	..	2,510	9,385	7,615
5	Vigo and Gibraltar	20,500	14,192	..	854	854	1,708	12,484	8,016
6	Alexandria, Calcutta, Hong Kong, and Sydney ..	199,600	188,466	16,207	19,695	..	35,902	152,564	47,036
7	Halifax and New York (North America) ..	173,340	160,069	10,867	22,804	..	33,671	126,398	61,642
8	Bermuda and Newfoundland	10,600							
9	Bermuda and St. Thomas	1,100							
10	West Indies and Brazils	270,000	116,342	..	31,495	5,387	26,802	89,540	180,460
13	Pacific	25,000	10,993	4,124	714	714	5,552	5,441	19,559
14	Cape of Good Hope and Calcutta	50,000	16,973	..	2,043	..	2,043	14,930	38,070
15	Cape of Good Hope and Port Natal	3,000							
16	Sydney, <i>via</i> Cape of Good Hope	26,000	34,563	..	4,160	..	4,160	30,403	Gain 4,403
17	West Coast of Africa	23,250	3,008	..	362	..	362	2,646	20,604
		822,390	556,492	31,198	74,637	6,875	112,710	443,782	Net 378,608
1	Liverpool and Isle of Man	850	The Postage on these lines is charged at the British Inland Rate only, without any addition for sea transit.						
2	Holyhead and Kingstown	25,000							
3	Aberdeen and Lerwick	900							
12	Channel Islands	4,000							
		853,140	556,492	31,198	74,637	6,875	112,710	443,782	378,608
	French Line (Calais)	* 24,657	77,298	..	22,554	..	22,554	77,831	abate Gain 53,174
	Belgian Line (Ostend)		37,550	..	14,468	..	14,463		
		877,797	671,340	31,198	111,654	6,875	149,727	521,613	† 325,434

* This is the Estimate of the Cost of the Packet Service at Dover, performed by Her Majesty's vessels not under Contract and paid by the Admiralty.

† This Deficiency is further increased by the Postage annually lost upon Returned Letters, which, upon the Foreign and Colonial Lines, is estimated at 42,026*l.*; but as these letters are actually carried in the Mails, no deductions from the "Earnings" of the Packets has been made on this account.

£847,047
Add, paid to four lines upon which British Inland Postage cannot be stated .. 30,750
£877,797

APPENDIX (D).

Copy of Report relative to a Reduction of the Service of the Peninsular and Oriental Company.

My Lords,

Admiralty, February 23, 1853.

HAVING been appointed a Committee for the purpose of inquiring into the state of the contracts for the packet service of the Post Office, our attention has been directed in the first instance to that by which the Government have agreed with the Peninsular and Oriental Steam Navigation Company for the conveyance of the mails from this country to India and China twice a month, and from Singapore to Australia once in two months, for the sum of 199,600*l.* per annum, to be reduced to 179,600*l.* when the railway from Alexandria to Suez shall have been opened for six months. This contract has only come into operation since the 1st of January, 1853, and will continue in force for eight years from that day, and further until twelve months' notice shall have been given of an intention to dissolve it.

With reference to this contract, our attention was called to a correspondence now in progress between the Directors of the Peninsular and Oriental Company and the Lords of the Admiralty, in which the Directors state that they anticipate in a short time a serious interruption of the service they have undertaken for want of coals.

They state that the demand for shipping to Australia is so great, and the inconvenience arising from the detention of ships in that country so serious, that they apprehend that it will shortly be impossible to find tonnage to carry coals to the various ports at which it is necessary to deposit them for the purpose of the mail service. Indeed, they say distinctly that the question is no longer one of price; that they are unable to make arrangements for the transmission of coal at any rate of freight whatever; and that, in short, available tonnage, either British or foreign, does not now exist in the United Kingdom for its conveyance.

Under these circumstances the Directors suggest that the execution of the recent arrangements for the semi-monthly communication with India and China should be postponed for a year, and that in the interim the Company should carry on the mail service monthly under the late contract of 1844, continuing also to perform the service between Marseilles and Malta, and between Singapore and Australia, at a mileage rate to be agreed upon.

We have ascertained that the rise in the rate of freight has been very considerable, and that the difficulty of procuring available tonnage is still on the increase. This, however, does not appear to us to afford a reason for dispensing with or modifying the terms of a contract so recently entered into as that under consideration. It is very probable that the rise which has taken place is greater than the contractors calculated upon at the time of their entering into their agreement; but it is of the essence of all contracts that the contractors should incur the risk of such occurrences, and we consider that it would be a most dangerous and improper proceeding to release a public contractor from an agreement for no other reason than that it has turned out to be unfavourable to him.

We therefore think that it would be perfectly right, and under ordinary circumstances the natural course, to decline to enter into any inquiry as to the possibility of obtaining tonnage to convey coals to the Company's stations, and to call upon them absolutely either to fulfil their contract or to pay the penalty of 35,000*l.*

We have, however, taken into consideration that this application on

the part of the Company may possibly afford an opening for the revision of the contract altogether, and may thus perhaps enable the Government to make better terms for the public than those to which they are at present bound for a period of eight years.

We do not, indeed, think that it would be to the advantage of the public that the contract should at once be wholly broken, because while it is essentially necessary to make immediate provision for the continuance of the monthly mail service, there is great doubt as to the possibility of making another contract at so short a notice on equally favourable terms.

But it appears to us that if a portion of the second monthly service to India and China could be discontinued for the present with the distinct understanding that its renewal should be optional with the Government, and that they should be at liberty to make arrangements for its renewal, if necessary, by any company, or in any manner they might think expedient, without regard to the contract with the Peninsular and Oriental Company, considerable advantages might be anticipated.

We do not recommend the adoption of the arrangement proposed by the Peninsular and Oriental Company; viz., a temporary return to the contract of 1844, with the addition of a mileage payment for the Marseilles and Malta and the Singapore and Sydney services. The contract of 1844 was a much more favourable one to the Company than that now in force, the rate of mileage under the former contract being for the line between Hong Kong and Ceylon, 12s. 7d.; for that between Calcutta and Suez, 1l. 0s. 1½d.; and for that between Alexandria and England, 6s. 3¾d.; while under the latter it is for the whole of these services only 6s. 1¾d.

The Company can have no pretext for asking, nor do we think the Government would be justified in granting, a higher rate of payment than that actually contracted for. The only change which we can recommend under the circumstances of the alleged deficiency of tonnage for the completion of the whole service, is a diminution of the amount of the service required, and a corresponding diminution in the amount of remuneration, calculated upon the basis of the mileage rate at present in force.

We accordingly suggest that the Company should be allowed to discontinue the semi-monthly service from Southampton on the 4th, and from Hong Kong on the 28th, of each month, which, as yet, has only been once actually despatched from this country, namely, on the 4th February in the present year. They should, however, be required to continue the mail on alternate months between Singapore and Sydney, adapting it to meet the mail which is despatched from Southampton on the 20th of the month.

It will then be necessary, in order to make the communication with Australia regular, to give notice to the Australian Royal Mail Company to alter the time of the departure from Plymouth of their packets from the 3rd to the 20th day of those months in which the mails are despatched by their line.

Under this arrangement the monthly communication with Australia will be as perfect as under the existing contract, and the semi-monthly communication with India will be carried on in precisely the same manner as it has been till the close of 1852, that is to say, the mails will be despatched from Southampton by the Peninsular and Oriental packets on the 20th of each month, and through France to Marseilles on the 24th and 7th of each month, the mails of the 7th being conveyed by the Peninsular and Oriental ships from Marseilles to Malta and Alexandria, and by the vessels of the East India Company from Suez to Aden and Bombay.

The Company will thus be exonerated from maintaining a service of 211,896 miles,* which at 6s. 1¾d. amounts to about 65,000l., by which amount we recommend that the contract should be reduced.

* This amount is thus made up—

	Miles.		Miles.
Southampton to Malta and back ..	2,160	× 12 =	25,920
Suez to Calcutta and back ..	9,502	× 12 =	114,024
Point de Galle to Hong-Kong and back ..	5,996	× 12 =	71,950
			<hr/> 211,896

211,896 miles at 6s. 1¾d. is 65,113l. 17s. 6d.

We must not omit to state that if the above changes are effected, some of the conveniences which the public may have expected to derive from the provisions of the new contract with the Peninsular and Oriental Company will be lost.

There will be only one monthly communication to and from China in place of two.

Of the two monthly mails to and from India, one only (that of the 20th) will be available for the transmission of heavy mails and of correspondence which will not bear a high postage. In the case of newspapers especially, this restriction will probably be severely felt, inasmuch as the rate levied by the French Government on the transit of newspapers through France is almost prohibitory, and mercantile houses will complain of being unable to send the trade circulars and the papers, which are usually published at the beginning of each month, and which would at present be forwarded by the cheap mail of the 4th.

The notices issued by the General Post Office in January 1853, announcing the date of departure by the mails to Australia, which have already been forwarded to the colonies, and to all foreign Governments with which we have postal conventions, will have to be rescinded and altered.

On the other hand, it is to be borne in mind that the Government will be free to make such arrangements for the conveyance of the semi-monthly mail as may, after full investigation, appear most desirable, and will thus have the opportunity either of inviting competition on the part of other contractors, or of making the experiment of shorter contracts, or of opening new routes for communication—as, for instance, through Trieste—or of establishing a correspondence between Bombay and China by means of the opium vessels, so that the temporary disadvantages which would be experienced from the discontinuance of the service might in the end be more than made up to the public by the introduction of an improved system.

Finally, it is not to be forgotten that the Peninsular and Oriental Company have positively stated that the semi-monthly communication cannot at present be continued on account of the deficiency of the necessary means of transport for coals.

Under these circumstances, it will be for the Government to consider whether the political and commercial inconveniences to which we have drawn attention in the plan which we propose are such as to outweigh the advantages which we anticipate from its adoption.

We have, &c.

(Signed)

CANNING.
WM. COWPER.
STAFFORD H. NORTHCOTE.
R. MADOX BROMLEY.

Correspondence between the Admiralty and the Peninsular and Oriental Steam Navigation Company.

Mr. Howell to the Secretary to the Admiralty.

*Peninsular and Oriental Steam Navigation Company,
February 2, 1853.*

Sir,

I AM instructed by the Directors of the Peninsular and Oriental Steam Navigation Company to request you will be pleased to represent to the Lords of the Admiralty that the Directors entertain great apprehensions that the contract mail service in the Indian, China, and Australian Seas, must ere long be seriously interrupted for want of coal. The moment that the Company's tender for the new mail contract was accepted in March last, they commenced contracting for the supply of fuel to meet the double service; but from that time, owing to the scarcity of shipping, the prices of freight for its conveyance have risen so much as to amount to an increase of nearly 100 per cent., and at such prices the addition of cost to the Company on the year's operations would

amount to upwards of 130,000*l.*, as per statement inclosed. This is exclusive of the Australian service. At the time of tender, coals the produce of that country could be obtained in abundance at 18*s.* 6*d.* to 20*s.* per ton; this supply has ceased altogether, the labour of the mines having been drawn to the gold fields; and now 80*s.* per ton for coal delivered at ports in Australia from this country has been unavailingly offered.

But the question is now no longer one of price, the fact being that such has been the demand for shipping during the last six months and such it still continues, that available tonnage, whether British or foreign, does not exist at the present time in the United Kingdom. A contractor with the Company and one of the largest shipowners and agents in this country, unable to obtain tonnage in fulfilment of his contract, incurred a penalty to the extent of 3,062*l.* 11*s.* 1*d.*, which under the circumstances the Company mitigated to 1,903*l.* 15*s.* 5*d.*, and this amount he has paid. Another party, after supplying 3,900 tons of coal for Aden, under a contract for 8,000 tons, have announced their total inability to find tonnage for its completion.

The Directors, although aware that other steam-mail contractors are likewise suffering from the same cause, have abstained from all communication on this subject, directly or indirectly; their cases, however, in comparison with that of the Peninsular Oriental Company, are very different in extent.

By reference to the inclosed Table it will be found, that for colonial service alone, exclusive of Australia, no less than 111,000 tons per annum have to be placed at distances requiring a period of six months between contract and delivery.

Under these circumstances, the Directors have felt it to be their duty to their Lordships, to their shareholders, and to the public, to make this statement, and to request that their Lordships may be pleased to direct an immediate inquiry to be instituted in the matter, so that their Lordships may in time be thus better prepared to deal with the question with that measure of justice between the public service and the contractor, with which they have always met cases of emergency and unforeseen difficulty.

(Signed) C. W. HOWELL, *Secretary.*

	LAST YEAR'S PRICES. Mail Service once a Month.			PRESENT RATES. Mail Service twice a Month.				
	Tons per annum.	Average price.		Tons per annum.	Average price.			
		<i>s.</i>	<i>d.</i>		<i>£</i>	<i>s.</i>	<i>d.</i>	<i>£</i>
Suez	1,200	62	0	3,720	2,400	90	0	10,800
Aden	12,000	41	4	24,800	24,000	75	0	90,000
Ceylon	14,400	33	2	23,880	28,800	48	6	69,840
Madras	1,200	36	1	2,165	2,400	49	6	5,940
Calcutta	6,000	36	1	10,825	12,000	49	6	29,700
Bombay	6,000	32	11	9,875	12,000	49	6	29,700
Penang	1,200	32	3	1,985	2,400	65	0	7,800
Singapore	8,400	32	3	13,545	16,800	65	0	54,600
Hong Kong	5,400	42	8	11,520	10,800	70	0	37,800
	55,800	36	8	102,315 Carried down	111,600	60	3	336,180
				£102,315 × 2				204,630
					Difference			£131,550

London, January 31, 1853.

C. W. HOWELL, *Secretary.*

The Secretary to the Admiralty to the Peninsular and Oriental Company.

Gentlemen,

Admiralty, February 4, 1853.

HAVING laid before my Lords Commissioners of the Admiralty your letter of the 2nd instant, on the subject of the difficulty of obtaining supplies of coals for carrying on the mail-service under your contract, I am commanded to acquaint you that, under these circumstances, my Lords would wish to be informed if you are prepared to surrender your contract, in order to its again being thrown open for public competition, and that my Lords wish for an early reply.

I am, &c.
(Signed) W. A. B. HAMILTON.

Mr. Howell to the Secretary to the Admiralty.

*Peninsular and Oriental Steam Navigation Company,
Offices, 122 Leadenhall Street; London, February 9, 1853.*

Sir,

REFERRING to my letter of the 2nd instant, in which I had the honour to state for the information of the Lords Commissioners of the Admiralty, that a special meeting of the Board of Directors had been summoned for this day, to take into consideration their Lordships' letter of the 4th instant, I am now instructed respectfully to request that the Directors may be informed whether they are correct in the inference to which they have been led by the tenor of that communication, that their Lordships do not feel disposed to institute an inquiry with a view of ascertaining whether it be a fact that sufficient available tonnage does not now exist in this country, or is likely to be within reach for many months, for the conveyance of fuel to the Company's depôts to the Eastern Seas, seeing that the quantity of tonnage requisite for the transport of coal to the extent necessary for the performance of the semi-monthly service, including the Australian line, is not less than 10,000 tons per month.

It is upon the existence or non-existence of the means of transport, the Directors take leave to submit, that the whole question hinges; they have without hesitation paid latterly 100 per cent. more in the price of coals than the same supply would have cost at the rates which ruled when their tender for the double mail service was accepted in March last, and it was not until price ceased to form part of the question that the Directors applied to their Lordships, with a request that they would be pleased to take cognizance of the existing state of things. The Directors would respectfully repeat their conviction that twenty sail of vessels of 500 tons each, or for any other burden equal to 10,000 tons per month, cannot now be obtained; and they beg to solicit their Lordships' perusal of the letters from well-known contractors inclosed herewith, confirming their opinion.

It is within the knowledge of the Directors, that all available and suitable tonnage has been swept away from the ports of Holland, and that large Dutch ships are now loading at Liverpool for Australia; it is also a fact that even a Spanish ship having arrived at Liverpool, her consignee received the very next day a lucrative offer for freight for the British colonies.

As soon as the impending scarcity of shipping became apparent, not only did the Directors yield to the higher prices required by the contractors, but they sought for other means of keeping up a supply, and purchased at a cost of 15,000*l.*, a screw-collier, with the intention of employing her in the conveyance of fuel from the coal-producing districts of the Eastern Archipelago to their depôts in the China Seas; this vessel, which is capable of carrying 700 tons of coals, is being completed with all despatch.

Under all the circumstances of the case, the Directors would now respectfully suggest that as the Company have at present in store, and on the way to their Eastern depôts, sufficient fuel for twelve months' consumption, or nearly so, for carrying on a monthly communication, as shown by the inclosed Tables marked A and B, the execution of the new arrangements for the semi-monthly communication be postponed for that period, and that in the interim the mail service be carried on monthly under the yet existing contract of 1844, the

Company continuing to perform at a mileage rate, to be agreed upon, the service between Marseilles and Malta, and between Singapore and Australia, upon which they have already entered.

In carrying out this proposition, the Company must still seriously suffer, inasmuch as they have already built, and have under construction, nine steamships intended for the performance of the double service, involving an outlay of 650,000*l.*; which amount of capital must remain not only unproductive, but undergoing depreciation pending the commencement of the operations, for the execution of which it was expended. (See Table marked C.)

I have, &c.

(Signed) C. W. HOWELL, *Secretary.*

Messrs. W. S. Lindsay and Co. to the Peninsular and Oriental Company.

Gentlemen,

8, *Austin Friars, January 27, 1853.*

WE have your instructions with respect to the Hong-Kong contract held by us.

Knowing, however, your very great anxiety with relation to these contracts, we think it our duty to advise you exactly how we stand as contractors with you.

We have, as you are aware, as large a command of tonnage as any firm in this country.

Notwithstanding this, however, we are utterly precluded from fulfilling our engagements for Hong-Kong, as, from your own knowledge of the extraordinary position of the shipping trade, you cannot but be aware.

With regard to Singapore, the prospect of obtaining tonnage is, if possible, even worse; and we really do not see how we can find ships for the balance of our contract for that port.

It is not a question of rate. There are no ships. They are either fixed for Australia, or fixed there for want of crews to bring them away.

The difficulty is absolute, and quite independent of any question of rate. Viewing this, we feel bound to tell you candidly, that unless a change take place, we must break down in our contract with you.

We will leave no stone unturned to perform our part, but we cannot do impossibilities; and under the extraordinary circumstances of the case, we anxiously await your advice as to how we should act in order to protect your interests.

We are, &c.

(Signed) W. S. LINDSAY & CO.

Messrs. H. and C. Toulmin to Mr. Howell.

Sir,

31, *Great St. Helens, February 1, 1853.*

IN reference to our contracts for the delivery of coals at Ceylon, Calcutta, and Bombay, we are sorry to inform you that it will be quite impossible for us to fulfil them, from the fact that vessels are not to be had for this employment. We have been for some time endeavouring to procure tonnage, we may almost say, without reference to the rate of freight, but cannot succeed.

We attribute the cause, on the one hand to the detention of vessels in Australia, and on the other, to the great demand that exists for the few vessels available, the owners of which will not take a freight of coals so long as they can get other employment.

We shall continue to do our best; at the same time, we do not think there will be a change in this state of things for some time to come, and we therefore trust you will deal leniently with us, since the inability to comply with the terms of the contracts arises from circumstances over which we have no control.

We are, &c.

(Signed) H. & C. TOULMIN.

Messrs. Phillips, Shaw, and Lowther, to the Peninsular and Oriental Company.

2, Royal Exchange Buildings,
February 2, 1853.

Gentlemen,

WITH reference to your inquiry as to the rate at which we would undertake to supply you with coal at Singapore and other ports in India, we beg to say that at the present time we could not undertake any contracts for so doing.

We were on the 24th ultimo requested by you to furnish tenders for the supply of 4,000 tons of coal to Singapore to leave this country during the months of February and March. Our principal filed in, sealed, and was on the point of forwarding to you the accompanying tender for such supply at the rate of 70s. per ton, deeming at the time that it would be a safe and profitable transaction. Fortunately, just as the tender was about to leave this office, one of his partners came in and expressed his conviction that we should be unable to obtain tonnage at even that high rate, which opinion has by subsequent experience been fully justified, and we now congratulate ourselves on not having handed it to you.

We hand it to you still sealed, together with your letter, in the margin of which you will find the rate marked by the writer for our guidance had you accepted the tender.

We beg to add that we could not now accept much higher terms for the required supply.

We remain, &c.
(Signed) PHILLIPS, SHAW, & LOWTHER.

(A.)—RETURN of the Stock of Coals belonging to the Peninsular and Oriental Steam Navigation Company, at their Depôts, and on the way, in the Indian and China Seas, and their Consumption, calculated on *once* a-month mail service.

Port.	Date of last Account.	Monthly Demand.	Stock, &c., on the way. Supply for months.	Stock.	On the way.	Total.	Deduct issues from date of last account to this date.	Deduct issues during the interval between the issue of the last account and arrival out.	Remainder.	Equal to requirements for months.
		Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	
Suez	Dec. 31	100	42	2,495	1,742	4,237	100	760	3,387	33½
Aden	" 23	1,000	23½	17,118	6,621	23,739	1,000	5,000	17,739	17½
Ceylon	" 3	1,200	19½	5,665	18,151	23,856	2,400	6,000	15,436	12½
Madras	Nov. 25	100	45½	2,729	1,844	4,573	200	450	3,923	39
Calcutta	Dec. 8	500	23	3,202	3,237	11,430	1,000	2,250	3,184	16½
Bombay	" 31	500	18	3,813	5,324	9,137	500	2,250	6,387	12½
Penang	Nov. 30	100	23½	1,159	1,207	2,366	200	500	1,666	16½
Singapore	" 30	700	18	6,337	4,185	12,522	1,400	4,200	6,922	10
Hong Kong	Sep. 30	450	25½	3,572	7,990	11,562	1,800	2,475	7,287	15

(B.)—RETURN of the Stock of Coals belonging to the Peninsular and Oriental Steam Navigation Company at their Depôts, and on the way, in the India and China Seas, and their Consumption, calculated on twice a-month mail service.

Port.	Date of last Account.	Monthly Demand.	Stock, &c., on the way. Supply for months.	Stock.	On the way.	Total.	Deduct losses from date of last account to this date.	Deduct losses during interval since the vessel having been laid at this date and arrival out.	Remainder.	Equal to requirements for months.
Suez	Dec. 31	Tons. 200	21	Tons. 2,495	Tons. 1,742	Tons. 4,237	Tons. 200	Tons. 1,500	Tons. 2,537	12½
Aden	" 23	2,000	11½	17,118	4,621	23,739	2,000	10,000	11,739	5½
Ceylon	" 1	2,400	9½	5,685	12,161	23,836	4,800	12,000	7,036	2½
Madras	Nov. 25	900	22½	2,729	1,844	4,573	400	900	3,273	16½
Calcutta	Dec. 8	1,000	11½	3,202	2,237	11,439	2,000	4,900	4,939	5
Bombay	" 31	1,000	9	3,813	5,324	9,137	1,000	4,500	3,637	5½
Penang	Nov. 30	900	11½	1,159	1,307	2,366	400	1,000	966	4½
Singapore	" 30	1,400	9	2,337	4,185	12,526	2,800	2,400	1,326	nearly 1
Hong Kong	Sep. 30	900	12½	3,572	7,990	11,562	3,600	4,950	3,012	3½

(C.)—Tonnage and Cost of the following Vessels.

Ship.	Builders.	Tonnage O.M.	Cost.
Himalaya	C. J. Mare & Co. ..	3,540	£132,000 0 0
Candia	C. J. Mare & Co. ..	1,898	69,200 0 0
Nubia	John Laird	1,840	65,750 0 0
Pera	John Laird	1,840	69,250 0 0
Colombo	R. Napier	1,848	63,200 0 0
Simla	Tod & McGregor ..	2,417	77,800 0 0
Bengal	Tod & McGregor ..	2,232	68,800 0 0
Valetta	C. J. Mare & Co. ..	951	52,801 10 0
Veetis	J. & R. White	951	52,326 0 0
		17,517	£650,127 10 0

The Secretary to the Admiralty to the Peninsular and Oriental Company.

Gentlemen,

Admiralty, February 23, 1853.

HAVING laid before my Lords Commissioners of the Admiralty your letter of the 9th instant, with reference to the difficulties in obtaining tonnage for the conveyance of coals, to enable you to carry out the mail service between this country and India, China, and Australia, I am commanded by their Lordships to acquaint you that they cannot agree to your proposal for the postponement of the semi-monthly communication for twelve months, but have under consideration the steps that may be necessary to adopt under the circumstances mentioned.

I am, &c.
(Signed) R. OSBORNE.

The Secretary to the Admiralty to the Peninsular and Oriental Company.

Gentlemen,

Admiralty, March 1, 1853.

WITH reference to your letter of the 9th ultimo, in which you state that sufficient tonnage cannot at present be procured in this country for the conveyance of fuel to the Eastern Seas, to maintain the whole of the postal service contracted for, and requesting that the new arrangement for the semi-monthly communication be postponed for twelve months, I am commanded by their Lordships to acquaint you that my Lords are willing that the existing agreement be so modified that those portions of the semi-monthly service which have been recently established between Southampton and Malta, and between Suez and Calcutta, and also between Point de Galle and Hong Kong, shall be altogether omitted; on the condition that a corresponding deduction be made, bearing the same proportions to the annual payment agreed to in the contract of January 1853, that the mileage of service omitted bears to the whole mileage contracted for; their Lordships being at liberty to resume this service whenever they shall think fit, and to make agreement for the purpose with other persons than you, if thought necessary.

I am, &c.

(Signed) R. OSBORNE.

*Mr. Howell to the Secretary to the Admiralty.**Peninsular and Oriental Steam Navigation Company's
Offices, 122, Leadenhall Street, March 4, 1853.*

Sir,

I HAVE the honour, by order of the Directors, to acknowledge the receipt of your letter dated the 1st instant, stating that the "Lords Commissioners of the Admiralty are willing that the existing agreement be so modified that those portions of the semi-monthly service which have been recently established between Southampton and Malta, and between Suez and Calcutta, and between Point de Galle and Hong-Kong, shall be altogether omitted, on the condition that a corresponding deduction be made bearing the same proportion to the annual payment agreed to in the contract of January 1853, that the mileage of service omitted bears to the whole mileage contracted for; their Lordships being at liberty to resume this service whenever they shall think fit, and to make agreements for the purpose with other persons than you, if thought necessary."

The proposition thus conveyed by their Lordships would, if accepted by the Company, be attended with results so much more disadvantageous than even those which the Directors have looked forward to, from the difficulty in which the impossibility of procuring ships for the transport of fuel, has involved them, and would differ so widely in its effect from that submitted in my letter dated the 9th ultimo, that they feel it to be a duty to point out certain considerations which may possibly not have engaged their Lordships' attention, but which have a most important bearing on the whole case.

The Directors would, in the first place, respectfully state to their Lordships that the very low rate at which they were enabled, in March last, to tender for the whole semi-monthly service, was mainly owing to the fact that the Company already possessed at every station of the line, with the exception of the newly-included ports of Marseilles, and those in Australia, establishments equal to the efficient conduct of a double amount of business; while at the important terminal ports of Calcutta, Bombay, and Singapore, in the East, and at Southampton in this country, they had, at an immense outlay of capital, acquired the possession or command of docks, workshops, stores, offices, and staff, in like manner equal to the accommodation, outfit, and management of an increased number of ships.

The capital sunk in these establishments exceeds 100,000*l*, and the annual cost of keeping them up under the old contract was not less than 71,000*l*.; thus, in calculating the terms of their tender for the new service, the Directors were mainly influenced by the consideration that in doubling their operations, the outlay of capital would be confined to the amount requisite for the construction of a sufficient number of new ships, while the pressure of the heavy debt of interest on that sunk in docks and shore establishments would be lessened in

proportion to the increase of the Company's operations in the conveyance of passengers and cargo.

Upon these grounds the Directors were not deterred from making a tender for the whole service included in the conditions published by their Lordships at a rate per mile very far below that of their existing Mail contract, or of any other of similar magnitude, and on the acceptance of that tender they immediately entered into engagements for the construction of the additional ships necessary for the performance of the service; the total cost of these being 650,000*l.*, as shown by the inclosed Table.

The Directors would now crave their Lordships' consideration of the fact that, the acceptance of the proposition contained in their letter now under reply would work in direct opposition to the above calculations, and with injury to the interests of the Company in two ways. In the first place, all the Company's costly establishments must be kept up at the same, or (as prices now are) at a greater expense than under the old contract, while they would remain equally unproductive; and, in the second place, the fleet of new ships built expressly for the extended service would be idle and depreciating, or be sold at a sacrifice.

In addition to these disadvantages the Company would be burdened with the performance of those portions of the new scheme which are the most expensive and least productive,—namely, the lines between Marseilles and Malta, and Singapore and Australia. For the first of these the Directors have built two vessels of 1000 tons, and 400 h. p., each of which they confidently expect will equal, if not exceed in speed, the fast vessels recently employed by Her Majesty's Government on the same service, while the expenses will be greater in proportion to the increased size of the vessels. As their Lordships are in a position to ascertain the cost of running despatch steamers on this line, the Directors would respectfully request a reference to the public accounts, in order that they may appreciate the extent to which the average mileage rate for the reduced service would be affected by the addition of this line to the scheme of the old contract.

With regard to the Australian line, the Directors trust that, although it cannot be expected to yield a profit on the terms of the new contract, it may, at any rate, be worked without actual loss.

The Directors trust they have now placed the matter in a light which will make it apparent to their Lordships that, with a due regard to the interests of their proprietary, they could not entertain the proposition in its present shape, inasmuch as they are called upon to abandon all that would appear to be advantageous, and to retain all that is the reverse of the new contract; while their Lordships reserve the right, after the new scheme has borne the test of experience, to restore the portion of the work now to be withheld, or to submit the performance of it to other parties.

The Directors can only foresee two results in such an arrangement,—namely, if the suspended portion of the work proved likely to be profitable, their Lordships would be bound to invite tenders and to award it to the lowest bidder, or if the reverse, to call upon the Company to resume it. It is difficult to say which of those two issues would most damage the interests of the Company.

They would, therefore, respectfully urge upon their Lordships to consider whether the matter might not be more fairly and equitably adjusted by the introduction in the new contract of a proviso to the following effect:

"That, in consequence of the present impossibility of procuring sufficient shipping for the conveyance of fuel to the Company's depôts in the India and China Seas, the Contractors shall be permitted, after the 1st of April next, to cease running the semi-monthly or second line between China and India and between India and Southampton until the 1st of April, 1854, unless they give three months' notice to the Lords Commissioners of the Admiralty that they are prepared to carry out this suspended portion of the contract on the 1st of January next.

"In consideration of which the Contractors agree that a deduction shall be made from the contract-money in proportion as the mileage so remitted bears upon the whole mileage contracted for,—the mileage, in regard to distances, to be decided by the Hydrographer of the Admiralty."

I have, &c.

(Signed) C. W. HOWELL, *Secretary.*

VESSELS in course of Construction for the Peninsular and Oriental Steam Navigation Company.

Name.	Cost.	
	£	s.
Vectis	52,326	0
Valetta	52,801	10
Cadiz	28,050	0
Douro	28,050	0
Himalaya	132,000	0
Simla	77,300	0
Nubia	65,750	0
Colombo	63,200	0
Candia	69,200	0
Pera	69,250	0
Tartar	17,567	0
	£ 655,494 10	

March 1853.

(Signed) C. W. HOWELL.

The Secretary to the Admiralty to the Peninsular and Oriental Company.

Gentlemen,

Admiralty, March 11, 1853.

WITH reference to your letter of the 4th instant, I am commanded by my Lords Commissioners of the Admiralty to acquaint you that my Lords regret that they cannot accede to such an alteration of the contract for the mail service between this country, India, China, and Sydney, *vid* Singapore, as would preserve you from pecuniary loss; but as the suspension of a part of the service contracted for must occasion inconvenience to the public, my Lords have considered it their duty to secure a corresponding advantage as compensation, and with that view they have required,

1st. That the reduction of payment shall be proportionate to the remission of packet-service, and shall bear the same proportion to the annual payment, agreed to in the contract of 1853, that the mileage of packet-services omitted bears to the whole mileage contracted for; and,

2ndly. That the resumption of the suspended portion of the packet-service shall be left optional to both parties, and unfettered by the engagement of the contract; that their Lordships shall be at liberty to have it renewed or not as they think fit, and shall not be bound to employ you, but may make any arrangements for its renewal they please. I am further to acquaint you that my Lords did not, as you in your letter appear to have assumed, claim the right of requiring you to resume the suspended service at the contract rate; and that to these terms their Lordships still adhere, and on these terms alone do they consider themselves justified in consenting to a relaxation of the contract.

I am,
(Signed) R. OSBORNE.

The Secretary to the Admiralty to the Peninsular and Oriental Company.

Gentlemen,

Admiralty, April 2, 1853.

I AM commanded by my Lords Commissioners of the Admiralty to acquaint you that my Lords have received a communication from the Committee appointed to consider the Contract Packet Service, stating that they have received a deputation from the Peninsular and Oriental Steam Packet Company, but that after hearing the reasons urged by the deputation on behalf of their proposal, that a right should be secured to the Company of resuming at the end of a year those portions of the semi-monthly mail service which the Company request leave to suspend; they have come to the conclusion that the

proposal is not one that they can recommend for the adoption of the Government. My Lords therefore have only to repeat to you that they cannot consent to the departure from the contract sought by you, except upon the terms mentioned in my two letters of the 1st and 11th March last, and my Lords request to be informed what course you mean to take.

I am, &c.
(Signed) R. OSBORNE.

Mr. Howell to the Secretary of the Admiralty.

*Peninsular and Oriental Steam Navigation Company,
London, 7th April, 1853.*

Sir,

I HAVE the honour, by order of the Directors, to acknowledge the receipt of your letter, dated 2nd instant, stating that the Lords Commissioners of the Admiralty cannot consent to the suspension of the semi-monthly service except upon the terms mentioned in your two letters dated 1st and 11th of March, and requesting to be informed what course the Directors mean to take.

In reply, I am instructed to express the regret and disappointment of the Board of Directors at having found their Lordships unwilling to afford the temporary relief sought by the Company under the pressure of circumstances of a most extraordinary and unexpected nature, and over which they had no control.

The Directors would here respectfully observe, that at the interview they had the honour to have with the Honourable Committee on the Packet Service, the Deputation proposed that the Company should resume the portion of the service in question at an earlier period than one year if tonnage for the conveyance of coals could be procured, and offered to submit to the decision of any authorized officer in Her Majesty's service the question as to the possibility of obtaining the necessary shipping for that purpose.

With these observations, the Directors have only to state that the decision now communicated by their Lordships leaves them no alternative but to continue the entire service, and to endeavour to overcome the difficulties it presents by every means at their command.

Whatever may be the result, the Directors will consider that, in calling the attention of Her Majesty's Government to the circumstances set forth in the recent correspondence, and explained by the Deputation to the Committee alluded to, they have performed a duty which was required of them, not only as trustees of the interests of a large proprietary, but as servants of the public engaged in a work of national importance.

I am, &c.
(Signed) C. W. HOWELL, *Secretary.*

APPENDIX (E).

Dates of arrival of Letters at Liverpool from Lima.

Date of Lima Letters.	Dates of arrival of West India Packets at Southampton.	Received and New York at Liverpool.
February 12, 1850	April 5, 1850	April 2, 1850
March 12, "	May 3, "	April 29, "
April 12, "	June 2, "	May 31, "
May 12, "	July 2, "	June 22, "
June 12, "	August 4, "	July 22, " *
July 12, "	September 18, "	August 26, "
August 8, "	October 4, "	September 20, "
September 8, "	October 19, "	October 21, "
October 8, "	November 19, "	November 25, "
November 8, "	December 21, "	December 22, "
December 8, "	January 22, 1851	January 20, 1851
January 8, 1851	February 25, "	February 22, "
February 8, "	March 25, "	March 24, "
March 8, "	April 24, "	April 22, "
April 8, "	May 22, "	May 8, "
May 8, "	June 20, "	June 18, "
June 8, "	July 20, "	July 21, "
July 8, "	August 20, "	August 17, "
August 8, "	September 23, "	September 22, "
September 8, "	October 23, "	October 20, "
October 8, "	November 26, "	November 20, "
November 8, "	December 25, "	No date given.
December 8, "	January 23, 1852	January 19, 1852
January 8, 1852	February 26, "	March 1, "
February 8, "	April 3, "	March 30, "
February 28, "	April 25, "	April 19, "
March 8, "	..	No date given.
March 28, "	May 8, "	May 3, "
April 8, "	May 22, "	May 16, "
April 22, "	June 5, "	May 31, "
May 10, "	June 21, "	June 21, "
May 26, "	July 10, "	July 5, "
June 9, "	July 17, "	July 19, "
June 25, "	August 2, "	August 2, "
July 10, "	August 17, "	August 16, "
July 27, "	September 5, "	August 29, "
August 9, "	September 22, "	September 27, "
August 25, "	September 29, "	No date given.
September 11, "	October 16, "	October 18, "
September 25, "	November 2, "	November 16, "
October 11, "	November 17, "	November 24, "
October 26, "	December 9, "	December 6, "
November 11, "	December 19, "	December 27, "
November 25, "	January 8, 1853	January 11, 1853
December 11, "	January 18, "	January 31, "
December 24, "	February 2, "	February 14, "
January 11, 1853	March 6, "	March 2, "

APPENDIX (F).

Copy of Report on the General Screw Steam-Shipping Company.

My Lords,

Admiralty, March 18, 1853.

HAVING had our attention directed to a communication from Mr. Ellis, the Chairman of the General Screw Steam-Shipping Company, stating the difficulties which the Company have met with in relation to their contract for the conveyance of the mails between England and Calcutta by way of the Cape of Good Hope, and having been requested by one of the Directors (Mr. Fox) to afford Mr. Ellis and himself an opportunity of personal communication on the subject, we have had an interview with those two gentlemen, in the course of which they stated to us more fully the nature and extent of their difficulties, and of the relief which they seek from Her Majesty's Government.

They estimate the annual loss at which the Company is now carrying on its operations at not less than 40,000*l.* or 50,000*l.*, and they consider that, if the service at present performed is to be continued, the Government subsidy must be increased to 80,000*l.* per annum. The present subsidy is 50,000*l.* for the first year, 45,000*l.* for the second, and 40,000*l.* for the third and every succeeding year. The increase would therefore amount to 38,000*l.* per annum.

It appears that, before the negotiation of the last contract, the General Screw Steam-Shipping Company was engaged in the conveyance of the mails from England to the Cape of Good Hope by way of Sierra Leone, receiving for the service a subsidy of 30,000*l.* per annum. In 1852 they competed for and obtained the additional service from the Cape by way of Mauritius to Calcutta, and were at the same time permitted to exchange the route by Sierra Leone for the route by the Isle of Ascension, an alteration which at the time appeared desirable to the Government, as affording the means of communicating with the African squadron, and which was beneficial to the Company, inasmuch as the voyage by Sierra Leone operated to the discouragement of the passenger traffic. They now state that the calculation upon which their tender was framed was not made with sufficient care, and would, under the most favourable circumstances, barely leave a reasonable profit; that the rise in the freight of coals has very materially affected them, and turned the profit which they anticipated into a heavy loss. Lastly, that the necessity of performing the voyage by way of the Isle of Ascension involves a great expenditure of fuel, as the cruise is such as to deprive them of the advantage of the trade wind. They consider that they could save from 10,000*l.* to 12,000*l.* a-year by proceeding in a direct line to the Cape without calling either at Ascension or Sierra Leone, but that even this voyage could not be carried off without an increase of subsidy.

We find that at the time the extension of the service from the Cape to Calcutta was under consideration, several parties were ready to undertake it, even without the advantage of carrying the mails all the way from England to the Cape; and among the tenders then sent in for the new service, we find one of the amount of only 14,000*l.*, being but a trifle above the addition made to the previous subsidy received by the General Screw Steam-Shipping Company. Under these circumstances we think it quite out of the question that the Government should assent to the request of the Company for an increase of 38,000*l.* upon their present subsidy, and we recommend that any reconsideration of the contract be simply declined, and the Company called on to fulfil their engagements or relinquish them altogether. Should they adopt the latter alternative, careful consideration will be needed as to the steps to be taken for maintaining a regular com-

munication with the Cape and the Mauritius, and as to the possible expediency, on many grounds, for maintaining a line of vessels by way of the Cape to India. We are pursuing inquiries on these points without delay. In the meantime, we feel little hesitation in expressing our belief that arrangements may without difficulty be made for maintaining a very frequent, if not a perfectly regular communication with the Cape by means of vessels passing to and fro on the lines to India and Australia, which might be induced to call there for the purpose of receiving and delivering the mails; and the Mauritius may be reached, as heretofore, by way of Ceylon. The service to the Isle of Ascension does not appear, at present, to be of any paramount importance. We reserve these matters, however, for fuller consideration on a future occasion, in case the Company should actually come to the resolution of abandoning its contract.

We have, &c.

(Signed)

CANNING.
WM. COWPER.
STAFFORD H. NORTHCOTE.
R. MADOX BROMLEY.

APPENDIX (G).

Copy of Report on the Australian Royal Mail Steam Navigation Company.

My Lords,

Admiralty, March 16, 1853.

WE have had under our consideration two letters addressed to the Lords Commissioners of the Admiralty on the 9th and 14th instant, by Mr. J. Griffith Frith, Chairman of the Board of Directors of the Australian Royal Mail Steam Navigation Company.

These letters set forth various circumstances which have occurred to interfere with the due execution of the engagements of the Company under their contract with the Lords Commissioners of the Admiralty, especially as regards the service to be performed by the steam-ship "Australian." They ask a favourable consideration of these circumstances, and request that, as it is impossible for the Company to secure a ship for the conveyance of the mails of the 3rd of April next, their Lordships will grant a postponement of that mail till the 3rd of June, allowing the bi-monthly dates subsequent thereto to be substituted for those now established.

We are of opinion that no sufficient reason exists for the extension of this indulgence to the Company.

We find that the services which the Company is bound to perform, have been marked by great and repeated irregularity.

The "Australian," the first vessel despatched under this contract, sailed from Plymouth on the 5th of June (the third being the day fixed), and occupied 65 days in reaching Sydney instead of 79 as appointed.

The same vessel, upon her return voyage, occupied 113 days instead of 80.

The "Melbourne," which should have left Plymouth on the 3rd of October, did not arrive at that port until the 8th, was then detained for repairs, and did not sail finally until the 15th; the mails for the Cape of Good Hope having been meanwhile transferred to the "Calcutta," a vessel belonging to another Company.

The "Adelaide," which should have left Plymouth on the 3rd of December, was, under sanction of the Lords of the Admiralty, detained until the 18th, and, having sailed on that day was obliged to put back in a leaky state, and did not finally leave Plymouth until the 2nd of January, 1853.

The "Australian" should have left Plymouth on the 3rd of February. The Company, however, obtained the sanction of the Lords of the Admiralty to delay her sailing until the 23rd. She was not ready on that day, and did not put to sea until the 24th; for which additional delay the penalty prescribed by the contract was enforced. On the 25th she returned disabled, with much damage to the mails, which were thereupon, in chief part, despatched by the Peninsular and Oriental Company's vessel of the 4th of March, via Alexandria and Singapore.

The "Australian" put to sea again on the 10th of March, and again returned disabled on the 14th. The mails for the Cape of Good Hope and Natal were transferred on the following day to the "Lady Jocelyn," a vessel belonging to another Company; and the conveyance of those for Australia, with which the "Australian" was charged on her last departure, must now be provided for by some other means, and at a new expense.

We are of opinion that, if a contract under which so large a sum as 26,000*l.* is annually paid to a Company, and from the strict letter of which relaxation has been so freely conceded to them, does not secure the Government and the public against such frequent and serious irregularities and failures in the conveyance of the correspondence as those above-mentioned, there is no inducement on the part of the Government to consent to the

demand now made, either as a boon to the Company or with a view to the future interests of the public.

We therefore recommend that the Lords Commissioners of the Admiralty should decline to accede to the request contained in Mr. Frith's letters of the 9th and 14th instant, and that the Company should be called upon to fulfil their contract, and to inform Her Majesty's Government with the least possible delay whether they are prepared to do so.

We have, &c.

(Signed)

CANNING.

WM. COWPER.

STAFFORD H. NORTHCOTE.

R. MADOX BROMLEY.

APPENDIX (H).

Copy of a Letter from Her Majesty's Postmaster-General to the Lords of the Treasury, submitting a plan for the conveyance of Mails to Australia.

My Lords,

General Post Office, April 25, 1853.

AS the public have recently suffered great inconvenience, owing to the irregular performance of the service of the Contract Mail-packets on some of the lines established by Her Majesty's Government between this country and the colonies, I think it desirable not to neglect any opportunity that may offer for ascertaining whether arrangements of a more efficient and economical nature may not be adopted in some cases, in place of the present Contract-packet system.

Such an opportunity appears to present itself in the case of the Australian Mails carried by way of the Cape of Good Hope; the Lords Commissioners of the Admiralty having, as your Lordships are aware, dissolved the contract with the Royal Australian Mail Company for that service; and the conveyance of Mails to Australia in the alternate months in which there is no communication by way of Singapore being now provided for.

In place, therefore, of recommending to your Lordships to take steps for entering into a new contract upon the system hitherto followed, I beg to lay before you the following plan:

Having fixed the days and ports of departure for some months in advance, and also assigned a definite sum (in the present instance I propose 1000*l.*) as the payment for each outward voyage, I propose to advertise for tenders, leaving it to the parties tendering to offer for either one or more of such outward voyages, as they may prefer; that tender, whether for steamer or sailing-vessel, to be accepted (with the necessary stipulations for the security of the Mails, &c.) which undertakes, on the subjoined conditions, to perform the voyage in the shortest time. The conditions to be—

First—That for every day's delay, from whatever cause, in the time of sailing, there be levied a fine—say of 50*l.*

Secondly—That a fine (say of 20*l.*) be levied for every day that the voyage, counting from the time of actual sailing, shall, from whatever cause, exceed the specified period.

Thirdly—That the total fines shall in no case exceed the sum assigned for the service by more than a certain proportion—say 25 per cent.

As regards the return Mail, regularity of departure being far less important, it appears to me that it will be best to leave the settlement of this matter to the colonial authorities on the spot, especially in the present condition of shipping in the Australian ports, and seeing that the interests of the colonies are to a great extent secured by the existing arrangement relative to ship letters, and by the fixed return of the bi-monthly Mail by Singapore.

Should the arrangement be adopted, and the sum suggested prove sufficient, the cost to the mother-country of this line of packets would be reduced from 26,000*l.* to 6,000*l.* per annum, even supposing the packets to be so regular that the 1000*l.* should be paid in full every time.

To facilitate this arrangement, and to secure the most speedy transmission of the more important Mails, it seems desirable that the packets should not be required to touch at minor ports,—as, for instance, King George's Sound; the conveyance to such places from the larger ports being left to opportunity.

I am inclined to think that the proposed plan might be carried out

with much advantage; and, should your Lordships concur in this opinion, I request that you will be pleased to authorize me to make trial of it.

Should your Lordships approve of my so doing, I request that I may be authorized to arrange the fines and other details of the measure as I may find most expedient; as also to consult Her Majesty's Secretary of State for the Colonies upon parts of the plan.

I think it right to add that I have communicated this proposal to the members of the Committee appointed under your minute of the 1st of March, 1853, to examine into the system of packet contracts, and that it is favourably viewed by them, although the responsibility attaching to it rests of course with this department.

I have, &c.
(Signed) CANNING.

APPENDIX (I).

May 1853.

ESTIMATE of the Present Annual Amount of Postage accruing to Great Britain on the Foreign and Colonial Correspondence conveyed by the several Lines of Packets; together with a statement of the Cost of the Packet Service under the several Contracts, as shown by the Abstract published by the Admiralty for the month of April 1853.

Note.—This Estimate has been founded on an account taken for the month of December 1852, except as regards the Brazilian and East Indian Lines, the accounts for which were taken in February 1853, and the mail inward from Australia, which was taken in the month of March 1853.

The deduction for "Returned Letters" is, in each case, the estimated amount of postage lost by the non-delivery, from various causes, of part of the unpaid correspondence.

The deduction for "British Inland Rate" is, in each case, estimated at 1½d. per single rated letter. This sum, which is the mean of the prepaid and unpaid rates on inland letters, is, in respect of the correspondence with the United States, fixed by Treaty.

The deduction for "Colonial Inland Rate," or for "Foreign Inland Rate," when made, is also estimated at 1½d. per single rated letter, and is necessary to meet expenses incurred by the British Post Office at certain Foreign and Colonial stations in the receipt and dispatch of the correspondence. On the average this deduction about equals the expense incurred.

Title of the Line of Packet.	Estimated Amount of British Transmarine Postage for the year.			Terms of Contract for Packet Service.	Amount per Annum.		
	£	s.	d.		£	s.	d.
NORTH AMERICAN:							
British North America ...	37,924	19	0	Liverpool, Halifax, and Boston . . .	145,000	0	0
United States... ..	92,916	10	0	Liverpool and New York . . .	28,340	0	0
California, &c.	2,386	16	0	Halifax, Bermuda, and New York } 10,600	0	0	
*Add postage on continental letters by British packet ...	9,813	5	4	Halifax and Newfoundland . . .	4,100	0	0
Add postage on local letters, and for closed mails to and from France and Prussia ...	17,028	18	0	Bermuda and St. Thomas ...	4,100	0	0
	160,069	8	4				
Deduct amount repayable to United States, and for transit, &c., postage	10,868	19	0				
	149,202	9	4				
Deduct for returned letters . . .	5,535	0	0				
	143,667	9	4				
Deduct for British Inland Rate	2,394	0	0				
Total	120,863	9	4	Total	183,040	0	0

* The amount given as postage for continental letters shows the total postage belonging to Great Britain on the correspondence passing between North America and the Continent of Europe, *and* England; no portion of the amount being included in the sums given as the postage on the correspondence conveyed by the French, Belgian, Holland, or Hamburg packets.

Title of the Line of Packet.	Estimated Amount of British Transmarine Postage for the year.	Terms of Contract for Packet Service.	Amount per Annum.
	£ s. d.	£ s. d.	£ s. d.
WEST INDIAN	67,250 2 0	England, West Indies, Gulf of Mexico, and Brazil	270,000 0 0
Deduct for returned letters	2,496 0 0		
	64,755 2 0		
Deduct for British Inland Rate	8,094		
Deduct for Colonial Inland Rate	8,094		
	48,667 2 0		
Add for the conveyance of the Brazilian Mails between the United Kingdom and Chagres (see Pacific Line of Packets)	5,000 13 6		
	*53,667 15 6		
†BRAZILIAN	44,091 17 0		
Deduct for returned Letters	1,636 0 0		
	42,455 17 0		
Deduct for British Inland Rate	5,307		
Deduct for Foreign Inland Rate	5,307		
	*31,841 17 0		
Total	85,409 12 6	Total	270,000 0 0

* The whole postage belonging to Great Britain on the correspondence passing between the West Indies or the Brazil and the Continent of Europe, viz. England, is included in the above amounts; no portion of such postage being included in the sums given as the postage on the correspondence conveyed by the French, Belgian, Holland, or Hamburg packets.

† Since the date of the account on which this estimate rests (February 1852) the rates of postage to Brazil and Buenos Ayres have been reduced from 2s. 6d., and 2s. 7d., respectively, to 1s.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.
PACIFIC	13,423 13 0		Pacific	25,000 0 0
Add for conveyance of French closed mails	1,106 16 0			
Total conveyed by West Indian packets to Chagres	14,530 9 0			
Add postage on local letters	1,463 2 0			
	16,993 11 0			
Deduct amount due to New Grenada and the United States	4,124 2 0			
	11,869 7 0			
Deduct for returned letters	440 0 0			
	11,429 7 0			
Deduct for British Inland Rate	714			
Deduct for Foreign Inland Rate	714			
	10,001 7 0			
Deduct for the conveyance between the United Kingdom and Chagres by the West Indian Packets, say one-half (see West Indian Line of Packets)	5,000 13 6			
Total	5,000 13 6	Total	25,000 0 0	

Title of the Line of Packet.	Estimated Amount of British Transmarine Postage for the year.		Terms of Contract for Packet Service.	Amount per Annum.	
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
EAST INDIAN:			East India and Alexandria, Suez, Calcutta and Hong Kong, Marseilles and Malta, Singapore and Sydney, New South Wales, East Indies and China 199,600 0 0*		
<i>and</i> Southampton—					
Gibraltar	420 16 0				
Mediterranean	10,340 0 0				
India	57,786 14 0				
China	4,968 11 0				
Add for Java closed mails, and for Red Sea postage	17,179 17 0				
Add for Australia <i>and</i> Singapore	27,029 12 0				
	117,725 10 0				
Deduct East India postage, written off by order of Treasury	18,882 0 0				
	98,743 10 0				
Deduct for returned letters	3,663 0 0				
	95,080 10 0				
Deduct for British In-land Rate	11,985	} 13,850 0 0			
Deduct for Colonial In-land Rate	1,965				
Total, <i>and</i> Southampton		81,230 10 0			
<i>and</i> Marseilles—					
Mediterranean	7,138 13 0				
India	50,360 19 0				
China	6,405 1 0				
Add for Java and French closed mails, &c.	6,848 0 0				
	70,740 13 0				
Deduct amount due to France for transit of Indian mails..	16,206 15 0				
	54,533 18 0				
Deduct for returned letters	2,023 0 0				
	52,510 18 0				
Deduct for British In-land Rate	4,647	} 5,845 0 0			
Deduct for Foreign In-land Rate	1,198				
Total, <i>and</i> Marseilles... ..		46,665 18 0			
Total		127,896 8 0	Total	199,600 0 0	

* To be reduced to £179,600 six months after the opening of the Railway between Alexandria and Suez.

PENINSULAR	£ s. d.		England, Vigo, Oporto, Lisbon, Cadix, and Gibraltar...	£ s. d.	
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
Deduct for returned letters	14,192 3 0		20,500 0 0†		
	827 0 0				
	13,665 3 0				
Deduct for British In-land Rate	854	} 1,708 0 0			
Deduct for Foreign In-land Rate	854				
Total		11,957 3 0*	Total	20,500 0 0	

* The whole postage belonging to Great Britain on the correspondence passing between Spain and Portugal, and the Continent of Europe, *and* England, is included in the above amount, no portion of such postage being included in the sums given as the postage on the correspondence conveyed by the French, Belgian, Hamburg, or Holland packets.

† Less 2,500L if port-dues be remitted.

Title of the Line of Packet.	Estimated Amount of British Transmarine Postage for the year.	Terms of Contract for Packet Service.	Amount per Annum.
AUSTRALIAN :	£ s. d.	England and Sydney, New South Wales	£ s. d.
(Including 3,767l. 3s. correspondence to and from the Cape of Good Hope)	34,563 12 0	Wales	26,000 0 0†
Deduct for returned letters . .	1,282 0 0		
	33,281 12 0		
Deduct for British Inland Rate	4,160 0 0		
Total	29,121 12 0*	Total	26,000 0 0

* The whole postage belonging to Great Britain on the correspondence passing between Australia and the Continent of Europe, and England, is included in the above amount; no portion of such postage being included in the sums given as the postage on the correspondence conveyed by the French, Belgian, Hamburg, or Holland packets.

† Less 50l. for each voyage, when no Admiralty agent.

CAPE OF GOOD HOPE.	£ s. d.	£ s. d.	England, Cape of Good Hope, and Calcutta	£ s. d.	£ s. d.
Cape	14,567 14 0		Cape of Good Hope and Port Natal	50,000 0 0*	
Natal	463 3 0				
Mauritius	1,254 10 0				
Calcutta	32 8 0				
Ceylon	16 4 0				
Cape de Verd	261 15 0				
St. Helena	146 9 0				
Ascension	120 16 0				
Add for local postage	110 14 0				
	16,973 13 0				
Deduct for returned letters	630 0 0				
	16,343 13 0				
Deduct for British Inland Rate	2,043 0 0				
Total	14,300 13 0	Total		53,000 0 0	

* To be reduced in June 1853, to 45,000l., and in June 1854, and the following years, to 40,000l. per annum. A sum of 1,400l. per annum is also payable for Admiralty agents.

WEST COAST OF AFRICA	£ s. d.	£ s. d.	England and Fernando Po, West Coast of Africa	£ s. d.	£ s. d.
WEST COAST OF AFRICA	3,008 2 0		England and Fernando Po, West Coast of Africa	23,250 0 0*	
Deduct for returned letters	112 0 0				
	2,896 2 0				
Deduct for British Inland Rate	362 0 0				
Total	2,534 2 0	Total		23,250 0 0	

* Less 500l. every succeeding year during the ten years for which the contract is made.

FRENCH	£ s. d.	£ s. d.	This service is performed, so far as the English Government is concerned, by Her Majesty's vessels.	£ s. d.
FRENCH	77,298 8 0			
Deduct for returned letters	2,868 0 0			
	74,430 8 0			
Deduct for British Inland Rate	22,664 0 0			
Total	51,766 8 0			

NOTE.—Rather more than one-half of the packet service is performed by vessels employed by the French Post Office, which despatches a packet from Calais each Sunday.

Title of the Line of Packet.	Estimated Amount of British Transmarine Postage for the year.	Terms of Contract for Packet Service.	Amount per Annum.
BELGIAN	£ s. d. 87,550 9 0	This service is performed, so far as the English Government is concerned, by Her Majesty's vessels.	£ s. d.
Deduct for returned letters	1,392 0 0		
	86,158 9 0		
Deduct for British Inland Rate	14,493 0 0		
Total	21,665 9 0		

NOTE.—Rather more than one-half of the packet service is performed by vessels employed by the Belgian Post Office, which despatches a packet from Ostend each Sunday.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.
HAMBURGH	5,907 3 0	4,206 3 0	London, Hamburg, and Rotterdam ... 17,000 0 0	
Deduct for returned letters	219 0 0			
	5,688 3 0			
Deduct for British Inland Rate	1,482 0 0			
Total	4,206 3 0			
HOLLAND	5,988 12 6	4,678 12 6	Total ... 17,000 0 0	
Deduct for returned letters	222 0 0			
	5,766 12 6			
Deduct for British Inland Rate	1,088 0 0			
Total	4,678 12 6			

SUMMARY.

	£ s. d.		£ s. d.
NORTH AMERICAN	120,803 9 4		120,803 9 4
WEST INDIAN AND BRAZILIAN	88,409 12 6		88,409 12 6
PACIFIC	5,000 13 6		5,000 13 6
EAST INDIAN	127,806 8 0		127,806 8 0
PENINSULAR	11,987 3 0		11,987 3 0
AUSTRALIAN	29,121 12 6		29,121 12 6
CAPE OF GOOD HOPE	14,300 13 0		14,300 13 0
WEST COAST OF AFRICA	2,634 2 0		2,634 2 0
FRENCH	61,976 8 0		61,976 8 0
BELGIAN	21,665 9 0		21,665 9 0
HAMBURGH AND HOLLAND	8,944 15 0		8,944 15 0
Total	470,660 8 4	Total (exclusive of the cost of the French and Belgian packets; of any future payment for the transit of the Australian mails through Egypt, and of the amount payable to the East India Company)	322,396 0 0

NOTE.—The Government Transmarine Postage 41,9204, estimated on the accounts for the month of December 1852, is included in the above.

APPENDIX (K).

Correspondence between the Admiralty and the Royal Mail Steam Packet Company.

The Secretary to the Admiralty to the Royal Mail Steam Packet Company.

Gentlemen,

Admiralty, July 21, 1853.

WITH reference to your letter of the 16th ultimo, I am commanded by my Lords Commissioners of the Admiralty to acquaint you that if their Lordships are thereby to understand that although admitting the time-tables to be a part of your contract, yet you contend that these tables were inserted only to define what the contracting parties believed to be the probable time with which the service would be performed, and that although a wilful departure from their provisions would be a breach of the contract, yet that departures from them arising from mismanagement or want of speed in the vessels, constituted no such breach, my Lords must remark that such a view is not justified by the facts of the case.

The time-tables are connected with that clause of the Articles of Agreement in which you engage that you will diligently, faithfully, and to the satisfaction of my Lords Commissioners of the Admiralty, and with all possible speed, convey the mails as mentioned in the tables of routes appended; the time-tables are referred to in other clauses, and exceptions are made for unforeseen causes, and according to the rules of legal construction applicable to such documents no grounds exist for doubting that they are part of the contract, and are obligatory upon the contractors. It must also be remembered that the time-tables are the only provision in the contract for securing the increase of speed, which was one of the conditions and objects of the renewal of the contract in 1850. No condition was inserted to compel you to enlarge the size or power of the packets, and if it were held that the time-tables did not enforce a particular rate of speed, it would follow that there is no guarantee in the renewed contract for the increased rate of speed agreed to.

My Lords have been desirous to treat you with as much consideration as their duty would allow, and to give full weight to the plea urged by you, that accidents beyond your control (such as the loss of the "Amazon" and "Demerara") have prevented the completion of the number of your new vessels, and their Lordships have been willing to wait for the launching of the remaining ships before they took serious notice of the irregularities and delays which have occasioned so much disaffection amongst those interested in the regular and rapid conveyance of the correspondence; but as three years have elapsed since the contract was signed, it appears to my Lords that ample time has now been allowed for the complete organization of the service, as prescribed in the time-tables annexed to the contract; and my Lords must henceforth insist upon a punctual execution by you of your engagement.

I am, &c.

(Signed)

W. A. H. HAMILTON.

The Secretary to the Admiralty to the Royal Mail Steam Packet Company.

Gentlemen,

Admiralty, June 3, 1853.

I AM commanded by my Lords Commissioners of the Admiralty, to acquaint you that their attention has been called by representations from the mercantile communities of the principal towns in which trade is carried on with the West Indies and South America, to the defective manner in which you have conducted the packet service under your contract, with respect to the time at which the mails are to be delivered at the various ports at which your vessels touch; and my Lords have been informed that your Secretary has stated to the Committee appointed to inquire into the mail packet arrangements, that he does not consider the time-tables appended to the contract to be part of it, nor to be binding on you, as its other provisions are. To this view I am commanded by their Lordships to state, that they cannot assent; they consider that the tables of routes form part of the contract now in force, and that deviations from those tables, either in time or route, not owing to unforeseen causes or under extraordinary circumstances, are breaches of the contract, and that it will be their duty to endeavour to enforce the punctual performance of all portions of the agreement, and to exercise the powers reserved to them by its provisions in cases of deviation from the time-tables, as well as of other breaches of the contract.

I am, &c.

(Signed) R. OSBORNE.

The Chairman of the Royal Mail Steam Packet Company to the Secretary to the Admiralty.

Royal Mail Steam Packet Company,

55, Moorgate Street, June 16, 1853.

Sir,

AS Chairman of the Royal Mail Steam Packet Company, I have the honour to acknowledge the receipt of your letter of the 3rd instant, in relation to the statement made by the Company's Secretary before the Committee appointed to inquire into mail packet arrangements.

The Directors of this Company have not had before them the details of their Secretary's statement before the Committee, but they are led to believe from their communications with him, that the proposition, as conveyed by your letter, that he did not consider the time-tables appended to the contract to be part of it, nor to be binding upon the Company, is more broadly stated than he intended.

The Company consider that those tables are so far part of the contract, that they define what all parties believed to be the probable times within which the service was to be performed, and that any wilful departure from them would not be a performance of the stipulation in the contract, that the Company should diligently and faithfully, and with all possible speed, convey the mails on board the vessels as mentioned in the table of routes.

I perhaps cannot better convey to their Lordships the views and feelings of the Directors on this question than by forwarding to you the copy of a letter I had the honour to address to Lord Canning, the Chairman of the Committee, under date the 22nd April last.

I have, &c.

(Signed) A. COLVILE, *Chairman,*

Mr. Colvile to the Postmaster-General.

*Royal Mail Steam-Packet Company, 55 Moorgate Street,
London, April 22, 1853.*

My Lord,

HER Majesty's Government having appointed your Lordship, assisted by a Commission, to investigate the subject of the contract packet-service in general, including of course the Royal Mail Steam-Packet Company, and the Court of Directors having seen it reported that several complaints respecting the performance of the West India Mail Service have been already submitted to your Lordship, without the Directors having seen the same, or having been afforded any opportunity of offering explanations respecting the allegations such documents may have contained; I deem it my duty, as Chairman of the Company, to take this method of placing under consideration of the Commissioners the following observations relative to the origin, progress, and present position of this Company.

When its contract was entered into on the 22nd of May, 1840, little experience had been obtained as to the nature of ocean steam navigation; but meeting the desire of the then Government to embrace in one combination the whole of the British possessions in the West Indies and North America, together with the colonies of France, Spain, Holland and Denmark, Mexico and the Spanish Main, the Directors, at an outlay exceeding a million, provided fourteen steam-ships of the largest and most powerful description then known, which were all surveyed by officers appointed by the Lords Commissioners of the Admiralty, approved by them, and were universally admitted to be the most efficient ocean steam-vessels at that period ever constructed. With these ships the service commenced in January 1842, and during the whole time that has since elapsed, amounting to twelve years and nearly four months, but one instance has occurred in which the packets have not been despatched from this country precisely at the moment prescribed by the Government,—or, in other words, 323 steam-ships out of 324 have been started to time with the outward Mails, not one of which has been compelled to put back into a British port after taking its departure. So effectively, also, has their condition been maintained, that but two or three cases have occurred of defects appearing in either hulls or machinery, and those were discovered and remedied without serious damage; and the boilers, in particular, have worked throughout without a single accident. In short, none of the Company's ships have ever been rejected or disapproved by the Government Surveyors; and, with exception of shipwreck, every vessel that has left England under steam, has made her round of routes under steam, and returned home under steam. The Directors believe that there is no instance on record of superior efficiency and punctuality.

A scheme showing the routes arranged to be pursued by the Company's ships, with their appointed places of meeting for the exchange of mails and passengers, extending over an area of 684,816 miles per annum, was inserted in the original contract as an estimate for the guidance of the Captains in their courses, the Postmasters in the preparation of their mails, and of passengers in arranging for their conveyance to and fro; but, although fixed penalties were provided in the Contract for stopping, lingering, deviating or delaying "except from stress of weather or other unavoidable circumstances," yet want of punctuality arising from such exceptional causes was not then, nor has ever since been, considered a breach of agreement, or liable to any description of mulct.

After a few months' trial, it became apparent that, in the anxiety to embrace too large a field of action, more had been undertaken than could be accomplished by the number of steam-vessels contracted for; and that the plan involved greater expense than could be remunerated by the Government payments, added to the receipts from passengers and freight. The Directors, in consequence, appealed to the Admiralty, who consented to a modification, by which the service was diminished to 392,976 miles per annum; thus affording, by the reduction of mileage, a relief which was conceded to other contractors in the shape of increased grants of money.

Upon this reduced scheme, therefore, with various alterations from time to time, the mails continued to be conveyed without miscarriage (otherwise than by shipwreck) until the year 1846, when, sufficient proof having been afforded that the Company had fulfilled its obligations under the modified system, the

Lords Commissioners of the Admiralty were pleased to grant an amended contract for the remainder of the term according to the arrangement then in operation. Without dwelling on the shipwrecks that occurred, and the consequent amount of capital sacrificed, I only feel it necessary to remark in passing, that those unexpected and perhaps unprecedented casualties prevented any payment of dividend to the proprietors until more than three years after the service commenced; nor have their losses in this respect been retrieved by the Company's subsequent receipts.

On the 14th of April, 1849, the Directors applied for a renewal of the Company's contract, and they also offered a tender for the conveyance of mails to Brazil, which was accepted; but considerable delay in the arrangement was created by the appointment, on the 26th of the same month, of a Select Committee of the House of Commons to inquire into the contract packet service, and all matters respecting the conveyance of the mails were necessarily suspended until such Committee had presented its Report.

When this took place, on the 27th of July, 1849, no fault was found with the performance of the Royal Mail Steam-Packet Company's undertaking; but as the Select Committee recommended that course, Her Majesty's Government, on the 27th of November, 1849, instituted a full inquiry into the Company's accounts; and it was finally decided to combine in one agreement all the arrangements for the conveyance of the West India, Mexican, Spanish Main, Brazil, and River Plate mails; such new and comprehensive contract to be for an extended term of years; affording, as the Directors conceive, the surest testimony of the good faith with which the Company was considered to have acted, in the opinion of a Select Committee of the House of Commons and of many successive Administrations of the Government; as a new and greatly-extended contract would hardly have been conceded to the Company, had it been held to have violated its original engagement, by not keeping exact time of arrival at the various ports on the other side of the Atlantic.

Although the Directors, anxious to commence the construction of a new and superior class of steam-ships, had applied to the Government for its decision as to such continuance of the contract so early as the 14th April, 1849, yet owing to the delay occasioned by the Select Committee, and the subsequent investigation instituted by the Government, the contract was not fully arranged and completed before the 5th of July, 1850. In the same month the Company entered into agreement with ship-builders and steam-engine makers in England and Scotland for the construction of five new vessels of the most approved class, to be propelled by power double what was agreed for in the Company's contract with the Government; and, including these five ships (without any stipulation being made to that effect), the Directors have purchased, built, and are building the following ships:

No.	Names.	Tonnage.	Horse Power.	
1	La Plata	2,404	1,000	} Purchased and Built.
2	Magdalena	2,943	800	
3	Orinoco	2,901	800	
4	Parana	2,943	800	
5	Amazon	2,900	800	
6	Demerara	2,900	800		} Since lost.
7	Atrato	2,720	800	} Building.
8	Tyne	1,850	400	
9	Tamar	1,850	400	
10	Solent	1,781	400	
11	Wye	750	180	
	Total	25,942	7,180	

The farther outlay occasioned by the construction of this new fleet will exceed a million, and yet the Directors are informed that, in one of the complaints transmitted to your Lordship, it is asserted, not only that the Company has broken its contract by the ships not arriving at the estimated times, but that it has taken no steps to improve its means for a more satisfactory performance of the packet-service.

Recurring to the subject of the time-tables, or estimates of arrivals and departures abroad, the Directors feel it necessary to remark that, if a want of exact punctuality were now to be held as a breach of agreement, it is the first time in twelve years that such a construction has been advanced; and yet through the whole of that period every contract Company in the kingdom has unavoidably varied in the length of its voyage according to the occurrence of storms, fractured machinery, or other disasters. In proof also that the performance of the Royal Mail Steam-Packet Company will bear comparison with any other transatlantic steam communication, I may observe that the difference between the longest and shortest voyages to and from Southampton and St. Thomas, is less in the last year than that between Liverpool and New York; so that the Royal Mail Steam-Packet Company is not singular in failing to keep its times of arrival with exactitude, in opposition to all vicissitudes of the weather.

There is, moreover, another argument applicable to the point of time being a part of the contract, and this is, that it is nowhere so expressed in the deed itself; that the time-tables have been repeatedly changed at the request of the Company, or otherwise, to adapt them closer to the actual working of the ships; and, above all, to the strict fact, that in the Tables of Routes, appended as a schedule to the existing contract, an express provision was made, under sanction of the Lords Commissioners of the Admiralty, to cover cases of anticipated irregularity, as shown in the sixth paragraph of the remarks on Table No. 1, where it is stated, that

“In the event of either of the steamers on Routes 2, 3, and 4, not reaching St. Thomas within the estimated time, the homeward No. 1 steamer is to await the arrival of the missing vessel seven clear days, if necessary, after the appointed hour for her departure on the homeward voyage.”

The time-tables of the West India packet-service were framed by the Company itself, and approved by the Lords Commissioners of the Admiralty on the 21st of February, 1852. Your Lordship will perceive that a higher rate of speed than in the previous plan, as relates to the voyages outwards and homeward, was there estimated, in the expectation that the more powerful ships in preparation would enable such accelerated speed to be obtained; but from the accidental destruction of two of those ships, and the delays of ship-builders and engine-makers, the new vessels have not yet been all brought into use, though it is fully expected that, in a few months, this will be accomplished; and the exclusive employment of larger and faster ships will then ensure a closer approximation to the times specified in the tables. In the intercolonial routes also greater certainty will assuredly be attained by the substitution of the superior vessels now in course of construction for that portion of the service.

In proof, however, that irregularities in the West India line arise principally from the unavoidable complexity of the service, I must request your Lordship to contrast that portion of the communication, with the comparative punctuality which has attended the working of the Brazil line since its establishment, where there is no such combination, and where the mails have been conveyed by the same class of ships. That this may be seen at once, I subjoin tables showing the arrivals outward at Rio Janeiro, and homeward at Southampton, for the years 1851 and 1852.

ARRIVALS at Rio de Janeiro, 1851.

Date of leaving Southampton.	Ship.	Arrival at Rio de Janeiro.			
		Due by Plan.	Arrived.	Over Time.	Be ore.
1851					
January 9,	Teviot ..	February 7, 1 p.m.	February 7, 3 p.m.	0 2	D. H. ..
February 10,	Tay ..	March 11, 1 p.m.	March 11, 8 a.m.	..	0 5
March 10,	Medway ..	April 8, 1 p.m.	April 6, 6 p.m.	..	1 19
April 9,	Teviot ..	May 8, 1 p.m.	May 9, 11 a.m.	0 22	..
May 9,	Tay ..	June 7, 1 p.m.	June 8, 1 a.m.	0 12	..
June 9,	Severn ..	July 8, 11 p.m.	July 8, 11 p.m.	..	..
July 9,	Teviot ..	August 7, 11 p.m.	August 7, 8 a.m.	..	0 15
August 9,	Tay ..	September 7, 11 p.m.	September 8, 1 p.m.	0 14	..
September 9,	Severn ..	October 8, 11 p.m.	October 7, 2 p.m.	..	1 9
October 9,	Teviot ..	November 7, 11 p.m.	November 6, 5 p.m.	..	1 6
November 10,	Tay ..	December 9, 11 p.m.	December 9, 7 a.m.	..	0 16
December 9,	Severn ..	January 7, 11 p.m.	January 4, 6 p.m.	..	3 5

ARRIVALS at Rio de Janeiro, 1852.

Date of leaving Southampton.	Ship.	Arrival at Rio de Janeiro.			
		Due by Plan.	Arrived.	Over Time.	Before.
1852					
January 9,	Teviot ..	February 7, 11 p.m.	February 10, 7 a.m.	2 8	D. H. D. H.
February 9,	Tay ..	March 9, 11 p.m.	March 10, 8 a.m.	0 9	..
March 9,	Severn ..	April 7, 11 p.m.	April 6, 6 a.m.	..	1 17
April 9,	Teviot ..	May 8, 11 p.m.	May 9, noon	0 13	..
May 10,	Tay ..	June 8, 11 p.m.	June 11, 9 a.m.	2 10	..
June 9,	Severn ..	July 8, 11 p.m.	July 9, 7 a.m.	0 8	..
July 9,	Teviot ..	August 7, 11 p.m.	August 6, 4 p.m.	..	1 7
August 9,	Tay ..	September 7, 11 p.m.	September 9, 7 a.m.	1 8	..
September 9,	Severn ..	October 8, 11 p.m.	October 9, 7 a.m.	0 8	..
October 9,	Teviot ..	November 7, 11 p.m.	November 7, 2 p.m.	..	0 9
November 9,	Tay ..	December 8, 11 p.m.	December 11, 6 a.m.	2 7	..
December 9,	Severn ..	January 7, 11 p.m.	January 8, 5 p.m.	0 18	..

ARRIVALS at Southampton from Rio de Janeiro.

1851.					1852.				
Ship.	Arrival				Ship.	Arrival.			
	Plan.	Actual.	Over.	Before.		Plan.	Actual.	Over.	Before.
			D. H.	D. H.			D. H.	D. H.	
Teviot	March 13, 10 a.m.	March 14, 9 a.m.	0 23	..	Tay	January 16, 4 p.m.	January 15, noon	..	1 4
Tay	April 14, 10 a.m.	April 14, midnight	0 14	..	Severn	February 14, 4 p.m.	February 15, 11 a.m.	0 19	..
Medway	May 12, 10 a.m.	May 14, 8 p.m.	2 10	..	Teviot	March 16, 4 p.m.	March 13, 1 p.m.	..	3 3
Teviot	June 11, 10 a.m.	June 8, 9 a.m.	..	3 1	Tay	April 16, 4 p.m.	April 15, 5 p.m.	..	0 23
Tay	July 11, 10 a.m.	July 11, 11 a.m.	0 1	..	Severn	May 15, 4 p.m.	May 14, 10 a.m.	..	1 6
Severn	August 11, 10 a.m.	August 12, 9 a.m.	0 23	..	Teviot	June 15, 4 p.m.	June 14, 11 a.m.	..	1 5
Teviot	September 14, 4 p.m.	September 10, 7 a.m.	..	4 9	Tay	July 16, 4 p.m.	July 15, 9 p.m.	..	0 19
Tay	October 15, 4 p.m.	October 14, 10 a.m.	..	1 6	Severn	August 15, 4 p.m.	August 12, 11 a.m.	..	3 5
Severn	November 15, 4 p.m.	November 13, noon	..	2 4	Teviot	September 14, 4 p.m.	September 11, noon.	..	3 4
Teviot	December 15, 4 p.m.	December 11, 7 a.m.	..	4 9	Tay	October 15, 4 p.m.	October 15, 1 p.m.	..	0 3
					Severn	November 15, 4 p.m.	November 13, 2 p.m.	..	2 2
					Teviot	December 15, 4 p.m.	December 13, noon.	..	2 4

By these Tables it will be clearly seen that in May 1851, the "Teviot" arrived out at Rio de Janeiro 22 hours behind time; and in November of the same year 1 day 6 hours before time; showing a difference of 2 days 4 hours made by the same ship on the same description of voyage; and reviewing the whole of the Tables out and home, they give the following results:—

IN 24 OUTWARD VOYAGES.

Behind time	...	...	...	13 Voyages.
Before time	..	...	...	10 "
To exact time	...	...	...	1 "

IN 22 HOMEWARD VOYAGES.

Behind time	...	...	...	6 Voyages.
Before time	...	..	...	16 "

TOTAL OUT AND HOME.

Behind time	...	...	...	19 Voyages.
Before time	...	...	...	26 "
To exact time	...	...	...	1 "
Total	...	...	...	46 "

Showing that the estimate of time could scarcely have been more accurately struck; and yet out of 46 voyages, there is but one instance of the time being exactly kept; proving the impossibility of accomplishing precise punctuality, even in the best regulated steam voyages, performed with the most efficiently appointed ships.

Respecting the continual reference made, both in Parliament and out, to what is thought a high rate of payment for the performance of the Company's service, I must observe that when it was renewed in 1850, the addition of 153,864 miles of steam communication to the 393,432 miles previously contracted for, with the addition of only 30,000*l.* to the compensation granted by the Government, reduced the rate of pay from 12*s.* 2*d.* to 9*s.* 10*d.* per mile; whilst the allowance to the Liverpool and New York line is 11*s.* 2½*d.* per mile, and, according to a paper laid before Congress, the American Government allows to its line of steamers between New York and Liverpool a subsidy of 23*s.* 9*d.* per mile; so, that of all the transatlantic communications, that of the Royal Mail Steam Packet Company is the least remunerated.

Having thus shown that the Company has always maintained the number and description of ships required: that none of them have ever been objected to by the Government surveyors; that they have been sent out from England with unprecedented regularity; that (with exception of shipwreck) they have all performed their appointed routes, and returned home under steam, that no serious accident has ever occurred to their steam engines, and none whatever to their boilers; that, with the exception already noticed, no mail has ever miscarried; that want of perfect exactness in the times of arrival and departure abroad is inevitable, and constitutes no breach of contract; that such must have been the impression upon the Select Committee of the House of Commons and of the Government is evinced by the absence of any remark to the contrary, and by the Company having been granted a continuance and enlargement of its contract without reference being made to any supposed violation of the agreement; that the Company were only prevented from building more powerful ships earlier by being kept in uncertainty as to the renewal of its contract; that immediately the decision upon this question was known, the keels of a new fleet were laid down; that the amount of steam power now working or constructing, doubles what is stipulated in the contract; that the Brazil portion of the contract has worked with great punctuality, thereby proving that the irregular arrivals and departures in the West Indies arise chiefly from the complexity of the service, and that there is a clause in the remarks upon Route Table No. 1,

inserted expressly to cover all such unavoidable irregularities ; that the Company has never incurred but one penalty, which was strictly exacted; and, finally, that the annual payment granted by the Government is less than what is allowed to any other transatlantic steam communication; I feel reliance that your Lordship and Her Majesty's Government will continue to the Company that confidence and support which it has hitherto enjoyed.

I have, &c.
(Signed) A. COLVILLE, *Chairman.*

REPORT of the Committee on Contract Packets.
With Appendices

*Presented to both Houses of Parliament by Com-
mand of Her Majesty. 1853.*

LONDON:
PRINTED BY HARRISON AND SON.